

DA-1

4/28/2020

Deborah Skeans, CCIM, MAI | Senior Advisor | SVN | Imperial Realty

SVN | IMPERIAL REALTY

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Deborah Skeans, CCIM, MAI

Senior Advisor

About Me

Listings

PA #RM029163

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Email: debby.skeans@svn.com

Biography

Principal, Managing Director and Senior Advisor for SVN | Imperial Realty. With over 45 years of real estate experience, she has specialized in the Lehigh Valley market, participating in the development, valuation, consultation or marketing of a wide variety of commercial, residential development, industrial, agricultural and institutional property for both the private and public sectors. She and her husband Darbin T Skeans, CCIM, have developed a number of projects in the Lehigh Valley, both for their own and for third parties. A commercial real estate appraiser from 1980 to 2000, she was one of the first women in the greater Philadelphia area to earn the MAI designation and created one of the region's strongest commercial appraisal firms. She switched to brokerage in 1999 and uses her experience to assist the SVN|Imperial office as it helps clients build and maintain strong real estate portfolios.

Career highlights and development experience:

- 470 acres of prime interchange land sold to St. Luke's Hospital for \$38.6 million in two transactions;
- strategized & brokered the sale of over 3,000 acres of estate property (over 50 parcels exceeding \$50 million in value) to various buyers for a wide variety of uses;
- consultation regarding disposition of a key New York City property for redevelopment (transaction closed for over \$200 million);
- the strategic planning and acquisition of over 30 downtown commercial properties by the City of Allentown for the development of a \$150 million ice hockey arena, including development and oversight of a comprehensive relocation policy for affected owners and tenants;
- Project consulting, operational team creation and development responsibility of a \$7.5 million assisted living facility in Lehigh County, PA

Specialties

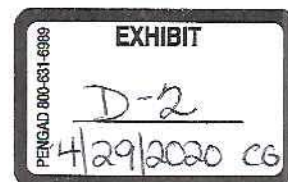
Industrial
Land
Senior Housing
Tenant Representation
Asset Recovery (SVNART)



DA-2

Frank Edward Pavlis

1916 - 2018



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Frank Edward Pavlis, 101 yrs., died August 24, 2018 at Legacy Place Cottages. He was born October 29, 1916 on a wooded farm in Grand Traverse County, Michigan. His father was born in Chicago, Illinois and his mother on a wheat farm in northern Minnesota. In 1947, Frank married Ethel Piehl who died in 2002 after a long illness. The couple had no children. He earned a B.S. degree in chemical engineering in 1938 at Michigan Technological University, a M.S. degree in 1939 at the University of Michigan and completed the Advanced Management Program in 1957 at the Harvard Business School. In 2014 the Michigan Technological University awarded Pavlis with an honorary Doctor of Philosophy degree for his accomplishments. In the spring of 1939 Pavlis was employed by Leonard P. Pool, a young Detroit executive, to design

and construct a prototype process plant to separate 99.5% pure oxygen from atmospheric air. When the challenging project was successfully completed a year later, the young entrepreneurs decided to found a new company to manufacture and to sell or lease air separation plants to large users of oxygen and nitrogen gases. On October 1, 1940, a new company named Air Products, Incorporated, was founded in Detroit, Michigan. Pavlis was the first employee, the Chief Engineer. The new company made an important contribution to the success of World War II. In 1943, it moved its operations to Chattanooga, Tennessee, in 1946 to Emmaus, PA, and in 1957 to Trexlertown, PA, a suburb of Allentown, PA. Currently, the company called Air Products and Chemicals, Inc. has annual revenues of approximately ten billion dollars and operations in fifty countries. Pavlis retired from Air Products in 1980 after forty years of service. He had various positions including Chief Engineer, Treasurer, Vice President Engineering, Vice President Finance and Vice President International/World Trade. He also served on the Board of Directors for 28 years. He traveled around the world five times during his lifetime. Pavlis was a member of the Allentown Central congregation of Jehovah's Witnesses. He will be buried in the small Michigan cemetery where his wife, parents, grandparents, brother and sister are buried. The Memorial talk will be on Sept 10, Monday at 4 pm at the Kingdom Hall of Jehovah's Witnesses, 4571 Indian Creek Rd., Macungie PA 18062-9766 Contributions to Jah Jireh Homes of America-Allentown, 2051 Bevin Dr, Allentown, PA 18103. They will be used to fund charitable care at Legacy Place Cottages. The Robert C. Weir Funeral Home is in charge of arrangements. www.WeirFuneral.com

To Plant Memorial Trees in memory, please visit our [Sympathy Store](#).

Published in Morning Call from Aug. 30 to Sep. 1, 2018.

MEMORIAL EVENTS

SEP Service

10 4:00 PM

[Kingdom Hall of Jehovah's Witnesses](#)



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Funeral services provided by
Robert C Weir Funeral Home

[1802 W Turner St](#)
[Allentown, PA 18104](#)

[610-433-7936](#)

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MEMORIES & CONDOLENCES

What would you like to say about Frank?

Not sure what to say?

Your Name

Your Email Address

Your Relationship



☒ Get email updates for this page

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4 entries

Frank and Ethel were our neighbors at 36th & Congress Sts. in South Whitehall Township. They visited us even after we moved from there. They were down-to-earth. You couldn't ask for nicer neighbors. Frank was a genuine "Mensch."

Richard & Darlene (Tami) Ochs

Richard & Darlene Ochs

We offer our condolences. We pray in your behalf, and we offer the hope of welcoming back our loved ones on a Paradise earth. Psm 37:29

Mr. Pavlis was a generous benefactor of Circle of Seasons Charter School. I offer my sincere condolences to his family and friends, especially the Skeans family.

Stacey Prohaska

Amy N. Kranch

INVITE OTHERS TO ADD MEMORIES

Share to let others add their own memories and condolences



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The Five Stages of Grief

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DA-3

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

DEBORAH S. SKEANS, Executrix of the
ESTATE OF FRANK E. PAVLIS,

Plaintiff,

V.

KEY COMMERCIAL FINANCE, LLC,
KEY COMMERCIAL FINANCE
PROPERTIES, LLC, EQUITY PROS, LLC,
and MOBILE AGENCY, LLC,

Defendants.

Third-Party Defendants.

C.A. No. 1:18-cv-01516-CFC

PLAINTIFF’S RESPONSES AND OBJECTIONS TO
DEFENDANTS’ FIRST REQUESTS FOR ADMISSION

Plaintiff, Deborah S. Skeans, Executrix of the Estate of Frank E. Pavlis (“Plaintiff”),
objects and responds to Defendants’ First Requests for Admission as follows:

GENERAL OBJECTIONS

A. Plaintiff objects to each request for admission that seeks materials or information protected by the attorney-client privilege, work product doctrine, or any such or similar applicable privilege, protection or immunity.

B. Plaintiff objects to each request for admission that seeks materials or information already in the requesting party's possession or equally available to the requesting party.

C. Plaintiff objects to all instructions and definitions as imposing obligations or conditions inconsistent with, or more stringent than, those imposed by the Federal Rules of Civil Procedure. Plaintiff will respond in accordance with the Rules and consistent with the plain meaning of the words used in each request for admission.

D. These responses are based upon information presently known by Plaintiff. It is anticipated that further discovery, investigation, legal research and analysis will supply additional factual conclusions and legal contentions. Plaintiff reserves the right to rely on such additional discovery, investigation, legal research and analysis, and to make such additions, changes, and variations to these responses as warranted.

RESPONSES TO REQUESTS FOR ADMISSION

1. Admit that the Estate of Frank E. Pavlis is no longer the holder of the Key Commercial Finance, LLC Convertible Promissory Note dated September 1, 2014, in the amount of \$3 million (attached as Ex. 1 hereto).

Response: Plaintiff objects to this request on the grounds it calls for a legal conclusion and assumes that the referenced Promissory Note is a valid legal instrument and/or was actually issued to Mr. Pavlis, in or around September 1, 2014, or at any other time. Plaintiff further objects to this request on the grounds that Key Commercial Finance, LLC lacked the legal standing or capacity to issue any such notes or related instruments as it did not legally exist or operate prior to December 2014. Absent legal capacity, the notes purportedly issued by Key Commercial Finance, LLC to Mr. Pavlis are *void ab initio*. Subject to and without waiving these objections, Plaintiff admits as follows: On or about September 19, 2017, Mr. Pavlis signed an “Assignment of Note,” the terms of which purported to transfer Mr. Pavlis’ interests in the referenced note to “Frank E. Pavlis TOD Watchtower Bible and Tract Society of New York, Inc.”

2. Admit that the Key Commercial Finance, LLC Convertible Promissory Note dated September 1, 2014, in the amount of \$3 million (attached as Ex. 1 hereto) was transferred on the date of Frank E. Pavlis’ death to the Watchtower Bible and Tract Society of New York, Inc., c/o Charitable Planning Office, 100 Watchtower Drive, Patterson, NY 12563-9204.

Response: Plaintiff objects to this request on the grounds it calls for a legal conclusion and assumes that the referenced Promissory Note is a valid legal instrument and/or was actually issued to Mr. Pavlis, in or around September 1, 2014, or at any other time. Plaintiff further objects to this request on the grounds that Key Commercial Finance, LLC lacked the legal standing or capacity to issue any such notes or related instruments as it did not legally exist or operate prior to December 2014. Absent legal capacity, the notes purportedly issued by Key Commercial Finance, LLC to Mr. Pavlis are *void ab initio*. Subject to and without waiving these objections, Plaintiff admits as follows: On or about September 19, 2017, Mr. Pavlis signed an “Assignment of Note,” the terms of which purported to transfer Mr. Pavlis’ interests in the referenced note to “Frank E. Pavlis TOD

Watchtower Bible and Tract Society of New York, Inc.”

3. Admit that Frank E. Pavlis assigned the Key Commercial Finance, LLC Convertible Promissory Note dated September 1, 2014, in the amount of \$3 million on September 19, 2017, the date of the “Assignment of Note” (attached as Ex. 2 hereto).

Response: Plaintiff objects to this request on the grounds it calls for a legal conclusion and assumes that the referenced Promissory Note is a valid legal instrument and/or was actually issued to Mr. Pavlis, in or around September 1, 2014, or at any other time. Plaintiff further objects to this request on the grounds that Key Commercial Finance, LLC lacked the legal standing or capacity to issue any such notes or related instruments as it did not legally exist or operate prior to December 2014. Absent legal capacity, the notes purportedly issued by Key Commercial Finance, LLC to Mr. Pavlis are *void ab initio*. Subject to and without waiving these objections, Plaintiff admits as follows: On or about September 19, 2017, Mr. Pavlis signed an “Assignment of Note,” the terms of which purported to transfer Mr. Pavlis’ interests in the referenced note to “Frank E. Pavlis TOD Watchtower Bible and Tract Society of New York, Inc.”

4. Admit that Frank E. Pavlis had capacity to assign the Key Commercial Finance, LLC Convertible Promissory Note dated September 1, 2014, in the amount of \$3 million on September 19, 2017, the date of the “Assignment of Note” (attached as Ex. 2 hereto).

Response: Plaintiff objects to this request on the grounds the phrase “had capacity” is vague and ambiguous. To the extent the request is referring to Mr. Pavlis’ legal and/or mental capacity, Plaintiff objects on the grounds that it calls for a legal conclusion and/or a medical opinion, neither of which Plaintiff is obligated or able to provide. Plaintiff further objects to this request on the grounds that it calls for a legal conclusion and assumes that the referenced Promissory Note is a valid legal instrument and/or was actually issued to Mr. Pavlis, in or around September 1, 2014, or at any other time. Plaintiff further objects to this request on the grounds that Key Commercial Finance, LLC lacked the legal standing or capacity to issue any such notes or related instruments as it did not legally exist or operate prior to December 2014. Absent legal capacity, the notes purportedly issued by Key Commercial Finance, LLC to Mr. Pavlis are *void ab initio*. Subject to and without waiving these objections, Plaintiff admits as follows: Plaintiff admits that, in her lay opinion, Mr. Pavlis had capacity to sign the “Assignment of Note.” Plaintiff is without knowledge or information as to whether Mr. Pavlis understood the contents or import of the “Assignment of Note,” other than her belief that Mr. Pavlis signed the “Assignment of Note” on the recommendation and advice of his estate planning counsel.

5. Admit that Frank E. Pavlis was never deemed to be incompetent or to otherwise lack capacity.

Response: Plaintiff objects to this request on the grounds the phrase “was never deemed to be incompetent or otherwise lack capacity” is vague and ambiguous. To the extent the request is referring to Mr. Pavlis’ legal and/or mental capacity, Plaintiff objects on the grounds that it calls for a legal conclusion and/or a medical opinion, neither of which Plaintiff is obligated or able to provide. Subject to and without waiving these objections, Plaintiff admits as follows: Plaintiff admits that, to her knowledge, Mr. Pavlis had never been found to have been legally or mentally incompetent by any medical professional or as a result of any legal proceeding.

6. Admit that Deborah Skeans was aware of the “Assignment of Note” (attached as Ex. 2 hereto) at the time that it was signed by Frank E. Pavlis.

Response: Admitted.

7. Admit that Deborah Skeans was aware of the existence of both (a) the Key Commercial Finance, LLC Convertible Promissory Note dated September 1, 2014, in the amount of \$3 million (attached as Ex. 1 hereto), and (b) the Key Commercial Finance, LLC Convertible Promissory Note dated November 1, 2014, in the amount of \$4 million (attached as Ex. 3 hereto) before the date of Frank E. Pavlis’ death.

Response: Plaintiff objects to this request on the grounds it calls for a legal conclusion and assumes that the referenced Promissory Notes were valid legal instruments and/or were actually issued to Mr. Pavlis, in or around September 1, 2014 or November 1, 2014, respectively, or at any other time. Plaintiff further objects to this request on the grounds that Key Commercial Finance, LLC lacked the legal standing or capacity to issue any such notes or related instruments as it did not legally exist or operate prior to December 2014. Absent legal capacity, the notes purportedly issued by Key Commercial Finance, LLC to Mr. Pavlis are *void ab initio*. Subject to and without waiving these objections, Plaintiff admits as follows: Plaintiff admits that she was aware of the existence of copies of documents purporting to be the referenced Promissory Notes prior to the date of Mr. Pavlis’ death.

8. Admit that the Key Commercial Finance, LLC Convertible Promissory Note dated November 1, 2014, in the amount of \$4 million (attached as Ex. 3 hereto) was bequeathed to the Watchtower Bible and Tract Society of New York, Inc. as part of Mr. Pavlis’ estate.

Response: Plaintiff objects to this request on the grounds it calls for a legal conclusion and assumes that the referenced Promissory Note is a valid legal instrument and/or was actually issued to Mr. Pavlis, in or around November 1, 2014, or at any other time. Plaintiff further objects to this request on the grounds that Key Commercial Finance, LLC lacked the legal standing or capacity to issue any such notes or related instruments as it did not legally exist or operate prior to December 2014. Absent legal capacity, the notes purportedly issued by Key Commercial Finance, LLC to Mr. Pavlis are *void ab initio*. Plaintiff further objects to this request on the grounds that the phrase “was bequeathed to the Watchtower Bible and Tract Society of New York, Inc. as part of Mr. Pavlis’ estate” is vague and ambiguous and calls for a legal conclusion. Subject to and without waiving these objections, Plaintiff responds as follows: Denied.

9. Admit that the Estate of Frank E. Pavlis is no longer the holder of the Key Commercial Finance, LLC Convertible Promissory Note dated November 1, 2014, in the amount of \$4 million (attached as Ex. 3 hereto).

Response: Plaintiff objects to this request on the grounds it calls for a legal conclusion and assumes that the referenced Promissory Note is a valid legal instrument and/or was actually issued to Mr. Pavlis, in or around November 1, 2014, or at any other time. Plaintiff further objects to this request on the grounds that Key Commercial Finance, LLC lacked the legal standing or capacity to issue any such notes or related instruments as it did not legally exist or operate prior to December 2014. Absent legal capacity, the notes purportedly issued by Key Commercial Finance, LLC to Mr. Pavlis are *void ab initio*. Subject to and without waiving these objections, Plaintiff responds as follows: Denied.

10. Admit that Frank E. Pavlis did not disclaim his signature on either of the Note Purchase Agreements attached as Exhibit 4 or Exhibit 5.

Response: Plaintiff objects to this request on the grounds it calls for a legal conclusion and assumes that the documents attached as Exhibits 4 and 5 were actually issued to and/or signed by Mr. Pavlis. Plaintiff further objects to this request on the grounds that Key Commercial Finance, LLC lacked the legal standing or capacity to issue any such documents as it did not legally exist or operate prior to December 2014. Absent legal capacity, the note purchase agreements and related notes purportedly issued by Key Commercial Finance, LLC to Mr. Pavlis are *void ab initio*. Subject to and without waiving these objections, Plaintiff responds as follows: Plaintiff lacks knowledge or information sufficient to admit or deny whether Mr. Pavlis signed either of the documents attached as Exhibits 4 and 5, and if Mr. Pavlis did sign these documents, lacks knowledge or information sufficient to admit or deny whether he ever disclaimed his signature on those documents.

11. Admit that Frank E. Pavlis made an investment in or a loan to a charter school known as Circle of Seasons in 2014 in excess of \$390,000.

Response: Plaintiff objects to this request on the grounds it seeks information that is not reasonably calculated to lead to the discovery of admissible evidence, as the issues in this case relate to the fraudulent misappropriation of funds Mr. Pavlis invested, and does not relate to any loans Mr. Pavlis made to entities not named in, or otherwise involved with, this lawsuit. Subject to and without waiving this objection, Plaintiff admits as follows: Mr. Pavlis made a loan to Circle of Seasons in the approximate amount of \$415,000.00 in 2014.

12. Admit that Deborah Skeans assisted with the making of the loan referenced in Request No. 11.

Response: Plaintiff objects to this request on the grounds it seeks information that is not reasonably calculated to lead to the discovery of admissible evidence, as the issues in this case relate to the fraudulent misappropriation of funds Mr. Pavlis invested, and does not relate to any loans Mr. Pavlis made to entities not named in, or otherwise involved with, this lawsuit. Plaintiff objects to this request on the grounds that phrase “assisted with the making of the loan referenced in Request No. 11” is vague and ambiguous. Subject to this objection, Plaintiff admits as follows: Plaintiff admits that she requested that Justin Billingsley ask Mr. Pavlis to make a loan to Circle of Seasons.

13. Admit that Frank E. Pavlis’ net worth at the date of his death exceeded \$70 million.

Response: Plaintiff objects to this request on the grounds it seeks information that is not reasonably calculated to lead to the discovery of admissible evidence, as the issues in this case relate to the fraudulent misappropriation of funds Mr. Pavlis invested, and does not relate to Mr. Pavlis’ net worth at the date of his death. Subject to this objection, Plaintiff responds as follows: Denied.

14. Admit that Deborah Skeans spoke directly with Craig Harris, a reporter from the Arizona Republic, relating to Mr. Justin Billingsley and Frank E. Pavlis.

Response: Admitted.

15. Admit that Darbin Skeans spoke directly with Craig Harris, a reporter from the Arizona Republic, relating to Mr. Justin Billingsley and Frank E. Pavlis.

Response: Admitted.

STRADLEY RONON
STEVENS & YOUNG, LLP

/s/ Joelle E. Polesky

Joelle E. Polesky (ID No. 3694)
1000 N. West Street, Suite 1200
Wilmington, DE 19801
Tel: (302) 295-4856
Fax: (302) 295-4801
Email: jpolesky@stradley.com

*Attorneys for Plaintiff, Deborah Skeans,
Executrix of the Estate of Frank E. Pavlis*

Dated: April 27, 2020

DA-4

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

- - -

DEBORAH S. SKEANS, : CIVIL ACTION
Executrix of the ESTATE : NUMBER
OF FRANK E. PAVLIS, : 1:18-cv-01516-
Plaintiff, : CFC
v. :
KEY COMMERCIAL FINANCE, :
LLC, KEY COMMERCIAL :
FINANCE PROPERTIES, LLC, :
EQUITY PROS, LLC, and :
MOBILE AGENCY, LLC, :
Defendants. :

- - -

Thursday, May 7, 2020

- - -

Oral deposition of DAVID SCOTT
WYLLIE, taken remotely via Zoom, at the law
offices of Henderson, Brandt & Vieth, P.A.,
360 East Henry Street, Suite 101, Spartanburg,
South Carolina 29302, beginning at 1:15 p.m.,
reported stenographically by Cheryl L.
Goldfarb, a Registered Professional Reporter,
Notary Public, and an approved reporter of the
United States District Court.

- - -

VERITEXT LEGAL SOLUTIONS
MID-ATLANTIC REGION
1801 Market Street - Suite 1800
Philadelphia, Pennsylvania 19103

<p style="text-align: right;">Page 2</p> <p>1 APPEARANCES:</p> <p>2</p> <p>3 STRADLEY RONON STEVENS & YOUNG, LLP</p> <p>4 BY: WILLIAM E. MAHONEY, JR., ESQUIRE</p> <p>5 CAMERON REDFERN, ESQUIRE</p> <p>6 2005 Market Street, Suite 2600</p> <p>7 Philadelphia, Pennsylvania 19103</p> <p>8 215.564.8000</p> <p>9 wmahoney@stradley.com</p> <p>10 credfern@stradley.com</p> <p>11 Representing the Plaintiff</p> <p>12 (Via Zoom)</p> <p>13</p> <p>14 HALLORAN FARKAS & KITTLA, LLP</p> <p>15 BY: WILLIAM E. GREEN, JR., ESQUIRE</p> <p>16 5801 Kennett Pike, Suite C</p> <p>17 Wilmington, Delaware 19807</p> <p>18 302.257.2011</p> <p>19 wg@hfk.law</p> <p>20 Representing the Defendants</p> <p>21 (Via Zoom)</p> <p>22</p> <p>23 HENDERSON, BRANDT & VIETH, P.A.</p> <p>24 BY: GEORGE "BUCK" BRANDT, III, ESQUIRE</p> <p>360 East Henry Street, Suite 101</p> <p>Spartanburg, South Carolina 29302</p> <p>864.582.2962</p> <p>gbrandt@hbvlaw.com</p> <p>Representing the Witness</p> <p>(Via Zoom)</p> <p>---</p> <p>21 ALSO PRESENT:</p> <p>22 DEBORAH S. SKEANS (Via Zoom)</p> <p>23 DARBIN SKEANS (Via Zoom)</p> <p>24 JUSTIN BILLINGSLEY (Via Zoom)</p>	<p style="text-align: right;">Page 4</p> <p>1 DEPOSITION SUPPORT INDEX</p> <p>2</p> <p>3 DIRECTION TO WITNESS NOT TO ANSWER</p> <p>4 Page Line</p> <p>5 (None)</p> <p>6</p> <p>7</p> <p>8 REQUEST FOR PRODUCTION OF DOCUMENTS</p> <p>9 Page Line Description</p> <p>10 (None)</p> <p>11</p> <p>12</p> <p>13 STIPULATIONS</p> <p>14 Page Line</p> <p>15 (Pursuant to Federal Rules of Civil Procedure)</p> <p>16</p> <p>17</p> <p>18 QUESTIONS MARKED</p> <p>19 Page Line</p> <p>20 (None)</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>
<p style="text-align: right;">Page 3</p> <p>1 INDEX</p> <p>2 ---</p> <p>3 WITNESS: DAVID SCOTT WYLLIE</p> <p>4 QUESTIONED BY: PAGE:</p> <p>5 MR. MAHONEY 6</p> <p>6 ---</p> <p>7 EXHIBITS</p> <p>8 NUMBER DESCRIPTION MARKED FOR ID</p> <p>9</p> <p>10 P-91 E-mail dated May 21, 2015 21</p> <p>and Durable General Power of</p> <p>Attorney, KCF002793 through</p> <p>11 002802</p> <p>12 P-92 Document entitled, "Frank's Time 84</p> <p>Sheets," P-000100 through 000103</p> <p>13</p> <p>14 P-93 Correspondence from Flamm 101</p> <p>Walton, KCF003866 through</p> <p>003871</p> <p>15</p> <p>16 ---</p> <p>17</p> <p>18 PREVIOUSLY MARKED DOCUMENTS</p> <p>19</p> <p>20 NUMBER.....PAGE</p> <p>21 P-75.....54</p> <p>22 P-76.....92</p> <p>23 P-77.....76</p> <p>24</p> <p>---</p>	<p style="text-align: right;">Page 5</p> <p>1 THE COURT REPORTER: The</p> <p>2 attorneys participating in this</p> <p>3 deposition acknowledge that I am not</p> <p>4 physically present in the deposition room</p> <p>5 and that I will be reporting this</p> <p>6 deposition remotely.</p> <p>7 They further acknowledge that in</p> <p>8 lieu of an oath administered in person, I</p> <p>9 will administer the oath remotely. The</p> <p>10 parties and their counsel consent to this</p> <p>11 arrangement and waive any objections to</p> <p>12 this manner of reporting.</p> <p>13 Please indicate your agreement</p> <p>14 by stating your name and your agreement</p> <p>15 on the record.</p> <p>16 MR. GREEN: William Green, on</p> <p>17 behalf of defendants. We consent.</p> <p>18 MR. MAHONEY: Bill Mahoney, on</p> <p>19 behalf of plaintiff. We consent.</p> <p>20 MR. BRANDT: George Brandt, III,</p> <p>21 on behalf of the deponent. We consent.</p> <p>22 THE COURT REPORTER: Will you</p> <p>23 please raise your right hand.</p> <p>24 ---</p>

DAVID SCOTT WYLLIE

<p style="text-align: right;">Page 6</p> <p>1 DAVID SCOTT WYLLIE, after having</p> <p>2 been first duly sworn/affirmed, was</p> <p>3 examined and testified as follows:</p> <p>4 ---</p> <p>5 THE COURT REPORTER: Thank you.</p> <p>6 ---</p> <p>7 EXAMINATION</p> <p>8 ---</p> <p>9 BY MR. MAHONEY:</p> <p>10 Q. Good afternoon, Mr. Wyllie. My</p> <p>11 name is Bill Mahoney, as you may know. I</p> <p>12 represent the plaintiff in connection with</p> <p>13 litigation.</p> <p>14 We served a subpoena upon you.</p> <p>15 And am I correct that you are appearing for</p> <p>16 this video deposition pursuant to that</p> <p>17 subpoena?</p> <p>18 A. Yes.</p> <p>19 Q. Okay. Can I just ask you a</p> <p>20 question. At least as I look at the computer</p> <p>21 screen ahead of me, you look like you're</p> <p>22 looking at a different screen.</p> <p>23 There we go, okay.</p> <p>24 MR. BRANDT: You'll just have to</p>	<p style="text-align: right;">Page 8</p> <p>1 A. Oh.</p> <p>2 Q. -- would interfere with your</p> <p>3 ability to testify truthfully?</p> <p>4 A. Oh, I see. No.</p> <p>5 Q. There are a number of people who</p> <p>6 are participating in this. It's largely going</p> <p>7 to be you and I speaking. But if at any point</p> <p>8 in time, you or they want to take a break, just</p> <p>9 let us know. The only thing I would ask is</p> <p>10 that if I have a question pending, you answer</p> <p>11 that question before we take a break.</p> <p>12 Is that fair enough?</p> <p>13 MR. BRANDT: All answers need to</p> <p>14 be oral so that she can hear it. So not</p> <p>15 only speak orally, but speak loudly so</p> <p>16 that she can hear. She's taking down --</p> <p>17 THE WITNESS: My apologies.</p> <p>18 MR. BRANDT: -- everything that</p> <p>19 you're saying.</p> <p>20 A. Yes.</p> <p>21 MR. MAHONEY: That's okay.</p> <p>22 Thank you, Buck.</p> <p>23 BY MR. MAHONEY:</p> <p>24 Q. And you're represented by</p>
<p style="text-align: right;">Page 7</p> <p>1 look out of the corner of your eye. It's</p> <p>2 not appearing on both screens. It's</p> <p>3 appearing on one.</p> <p>4 MR. MAHONEY: Okay, terrific.</p> <p>5 BY MR. MAHONEY:</p> <p>6 Q. Mr. Wyllie, have you ever been</p> <p>7 deposed before?</p> <p>8 A. No.</p> <p>9 Q. Your lawyer may have told you</p> <p>10 this, but it's essentially a</p> <p>11 question-and-answer series. I'll be asking you</p> <p>12 questions. Your job is to answer to the best</p> <p>13 of your recollection and ability. If you have</p> <p>14 any questions regarding my questions, if you</p> <p>15 don't understand something, if it's not clear,</p> <p>16 just let me know. I will do my level best to</p> <p>17 rephrase the question so you can answer it.</p> <p>18 Is there any reason why you</p> <p>19 think you may not be able to testify truthfully</p> <p>20 today?</p> <p>21 A. I don't understand your</p> <p>22 question.</p> <p>23 Q. Are you taking any medication</p> <p>24 that you believe --</p>	<p style="text-align: right;">Page 9</p> <p>1 counsel here today, Mr. Wyllie?</p> <p>2 A. Yes.</p> <p>3 Q. I'm going to begin by asking you</p> <p>4 some general background questions.</p> <p>5 But first, have you done</p> <p>6 anything, other than speaking with your</p> <p>7 counsel, to prepare for this deposition?</p> <p>8 A. I -- what do you mean "prepare"?</p> <p>9 I don't understand.</p> <p>10 Q. Well, have you reviewed any</p> <p>11 documents?</p> <p>12 A. The -- there's something</p> <p>13 published online, like the court document.</p> <p>14 Q. Okay. So you reviewed that?</p> <p>15 A. I looked at it.</p> <p>16 Q. Anything else?</p> <p>17 A. Hmm. I think it's just the</p> <p>18 online documents that I read over.</p> <p>19 Q. Okay.</p> <p>20 A. Yeah.</p> <p>21 Q. Apart from speaking --</p> <p>22 A. Nothing -- nothing was sent to</p> <p>23 me.</p> <p>24 Q. Okay. Apart from speaking with</p>

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<p style="text-align: right;">Page 38</p> <p>1 serving in that role, because he was there</p> <p>2 full-time. You know, be aware of this</p> <p>3 happening, which I think he already had</p> <p>4 knowledge of. Just try to put a fence around</p> <p>5 it.</p> <p>6 Q. When you say "administrator,"</p> <p>7 you're talking about Mr. Killgore?</p> <p>8 A. Yes.</p> <p>9 Q. Okay. Did there come a time</p> <p>10 when either you or Mr. Killgore or somebody</p> <p>11 else got Mr. Pavlis a new phone or took some</p> <p>12 action to change his phone number?</p> <p>13 A. I don't think he got a new</p> <p>14 phone. I think -- hmm. I don't know if he got</p> <p>15 a new phone number.</p> <p>16 What would -- what would happen</p> <p>17 is, it would -- any calls coming in would go to</p> <p>18 the main like switchboard. And then who is</p> <p>19 this? You know, what's the nature? Just kind</p> <p>20 of filtering -- filtering those.</p> <p>21 MR. MAHONEY: Okay. Cam, would</p> <p>22 you mind putting that power of attorney</p> <p>23 back up on the screen, please. And I</p> <p>24 want to go to the first page of the</p>	<p style="text-align: right;">Page 40</p> <p>1 A. Darbin Skeans.</p> <p>2 Q. Do you recall the context in</p> <p>3 which Mr. Skeans told you that?</p> <p>4 A. Back when I was learning about</p> <p>5 what was happening to Mr. Pavlis with the</p> <p>6 phone, you know, with the scams, Darbin Skeans</p> <p>7 said I should reach out to Justin Billingsley.</p> <p>8 I didn't know who that was. He</p> <p>9 said, that's Frank's financial advisor. I</p> <p>10 believe Darbin Skeans provided me his -- either</p> <p>11 his contact information or his phone number.</p> <p>12 Q. When do you recall first</p> <p>13 speaking with Mr. Billingsley?</p> <p>14 A. I -- about -- about this time,</p> <p>15 but I don't remember exactly when.</p> <p>16 Q. Why did you send Mr. Billingsley</p> <p>17 a copy of the power of attorney that Mr. Pavlis</p> <p>18 and you signed about a month before?</p> <p>19 A. I believe Mr. Billingsley</p> <p>20 requested that.</p> <p>21 Q. Do you recall why he wanted to</p> <p>22 see it?</p> <p>23 A. Nope. I'm assuming. Am I</p> <p>24 allowed to say that?</p>
<p style="text-align: right;">Page 39</p> <p>1 document.</p> <p>2 (Pause)</p> <p>3 Hey, Cam?</p> <p>4 MS. REDFERN: Sorry. I thought</p> <p>5 it was up.</p> <p>6 MR. MAHONEY: Okay. No.</p> <p>7 MS. REDFERN: Here you go.</p> <p>8 MR. MAHONEY: I'm sorry. Let's</p> <p>9 go to the first page of the exhibit,</p> <p>10 which is the e-mail.</p> <p>11 Great. Thank you.</p> <p>12 BY MR. MAHONEY:</p> <p>13 Q. Now, Mr. Wyllie, this is an</p> <p>14 e-mail from you to a gentleman named Justin</p> <p>15 Billingsley. It's dated May 21st of 2015.</p> <p>16 A. Right.</p> <p>17 Q. And it just says, "Frank's POA."</p> <p>18 And I'll represent to you that the power of</p> <p>19 attorney we just went through is what was</p> <p>20 attached to this e-mail.</p> <p>21 Who is Mr. Billingsley?</p> <p>22 A. I was told that he was Frank's</p> <p>23 financial advisor.</p> <p>24 Q. Who told you that?</p>	<p style="text-align: right;">Page 41</p> <p>1 Q. You are.</p> <p>2 A. Okay. I'm assuming because he</p> <p>3 was his financial advisor. It was a document</p> <p>4 that he should have or needed or . . .</p> <p>5 Q. Do you recall having any</p> <p>6 discussions with Mr. Billingsley about</p> <p>7 Mr. Pavlis' financial condition, investments,</p> <p>8 anything along those lines?</p> <p>9 A. You said about Mr. Pavlis' --</p> <p>10 what was the first word?</p> <p>11 Q. His financial condition,</p> <p>12 investments, anything along those lines.</p> <p>13 A. At this time?</p> <p>14 Q. No. I'm asking you, when do you</p> <p>15 recall first having any discussion with</p> <p>16 Mr. Billingsley about that?</p> <p>17 A. Hmm. I honestly don't -- don't</p> <p>18 remember when that was.</p> <p>19 Q. But do you recall having</p> <p>20 discussions with Mr. Billingsley about</p> <p>21 Mr. Pavlis' financial condition?</p> <p>22 A. Yeah. Yes.</p> <p>23 Q. Putting aside the time frame, if</p> <p>24 you would, walk me through the discussion or</p>

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<p style="text-align: right;">Page 46</p> <p>1 would always include me after that, because I</p> <p>2 was Frank's power of attorney.</p> <p>3 Q. So is it fair to say that you</p> <p>4 never met Mr. Billingsley or spoke with him</p> <p>5 prior to you becoming power of attorney for</p> <p>6 Mr. Pavlis?</p> <p>7 A. Yeah, that's correct.</p> <p>8 Q. Did you ever keep any notes of</p> <p>9 these meetings?</p> <p>10 A. Some of them. Just from my</p> <p>11 recollection of things, just trying to figure</p> <p>12 out what's what, you know, because like I said,</p> <p>13 a lot of that information was so far over my</p> <p>14 head.</p> <p>15 Q. Do you still have copies of the</p> <p>16 notes you kept?</p> <p>17 A. Unh-unh. No. They really --</p> <p>18 they were meaningless to me.</p> <p>19 Q. I'm sorry, you said, no, you</p> <p>20 don't have copies of them?</p> <p>21 A. I don't, no.</p> <p>22 Q. What happened to those notes?</p> <p>23 A. There weren't -- there weren't</p> <p>24 many. It was just things that I wanted to ask</p>	<p style="text-align: right;">Page 48</p> <p>1 Q. I'm sorry.</p> <p>2 A. He just sat there and listened.</p> <p>3 Q. Do you ever recall learning that</p> <p>4 he took notes after a meeting or made notes</p> <p>5 after a meeting?</p> <p>6 A. You mean while I was still</p> <p>7 there?</p> <p>8 Q. At any point in time.</p> <p>9 A. Hmm. Not that I'm aware of.</p> <p>10 MR. MAHONEY: Mr. Wyllie, I know</p> <p>11 you mentioned when we first spoke that it</p> <p>12 would be good for you to get up and walk</p> <p>13 around a little bit.</p> <p>14 So why don't we do this. Why</p> <p>15 don't we take a five-minute break and</p> <p>16 then we'll reconvene in about five</p> <p>17 minutes.</p> <p>18 Is that all right?</p> <p>19 THE WITNESS: Sure.</p> <p>20 MR. MAHONEY: Okay. Terrific.</p> <p>21 - - -</p> <p>22 (Whereupon, a recess was taken</p> <p>23 from 2:10 p.m. to 2:20 p.m.)</p> <p>24 - - -</p>
<p style="text-align: right;">Page 47</p> <p>1 questions about, you know, because I didn't</p> <p>2 understand something, and, you know, would</p> <p>3 cross them off or . . .</p> <p>4 And, you know, once I felt</p> <p>5 that -- they were kind of like reminders for</p> <p>6 me. And I just discarded them.</p> <p>7 Q. Did Mr. Pavlis have any</p> <p>8 particular habit in terms of note-taking?</p> <p>9 For example, do you recall him</p> <p>10 taking notes at meetings between him, you and</p> <p>11 Mr. Billingsley?</p> <p>12 A. So to answer your first</p> <p>13 question, he was -- he was remarkably</p> <p>14 fastidious with like his ledger for checks. I</p> <p>15 think it was all in pencil.</p> <p>16 Like he -- he wrote -- well, he</p> <p>17 wrote himself a lot of reminders. I know that.</p> <p>18 But he was -- he was pretty sharp, I'll tell</p> <p>19 you, for an older guy.</p> <p>20 But I don't recall him taking</p> <p>21 notes during those meetings with</p> <p>22 Mr. Billingsley.</p> <p>23 Q. Okay. Do you ever --</p> <p>24 A. He just sat there and listened.</p>	<p style="text-align: right;">Page 49</p> <p>1 MR. MAHONEY: Back on the</p> <p>2 record.</p> <p>3 BY MR. MAHONEY:</p> <p>4 Q. Mr. Wyllie, if I understand your</p> <p>5 testimony correctly, Mr. Pavlis mentioned to</p> <p>6 you the possibility of becoming his power of</p> <p>7 attorney, right?</p> <p>8 A. Yes.</p> <p>9 Q. And that was the first time --</p> <p>10 A. Hold it. Hold it. Hold it.</p> <p>11 Say that again.</p> <p>12 Q. Sure. I thought you testified</p> <p>13 earlier that the first time the concept or the</p> <p>14 idea of you becoming Mr. Pavlis' power of</p> <p>15 attorney came up during a meeting that you had</p> <p>16 or a discussion that you had with Mr. Pavlis</p> <p>17 and Ms. Scott.</p> <p>18 A. Correct.</p> <p>19 Q. Okay. Prior to that, had anyone</p> <p>20 ever discussed with you the possibility of</p> <p>21 becoming Mr. Pavlis' power of attorney?</p> <p>22 A. I don't think so.</p> <p>23 Q. Did Mr. Skeans ever discuss it</p> <p>24 with you?</p>

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<p style="text-align: right;">Page 66</p> <p>1 He said to Mr. Pavlis that</p> <p>2 because we're coming up to an election year,</p> <p>3 and that would -- that would affect the market,</p> <p>4 or somehow the election year would have an</p> <p>5 impact on how investments performed, or</p> <p>6 something of that nature.</p> <p>7 Sorry, I don't have the details.</p> <p>8 Q. No, no, no. That's quite all</p> <p>9 right. And I'm going to show you a document in</p> <p>10 a minute that may refresh your recollection.</p> <p>11 It may not, but . . .</p> <p>12 Before I do that, do you ever</p> <p>13 recall discussing with Mr. Billingsley any</p> <p>14 desire on either your part or on his part to</p> <p>15 move Mr. Pavlis' investments from Glenmede</p> <p>16 Trust to some other firm or some other</p> <p>17 investment advisory outfit?</p> <p>18 A. Just a portion, you know, a few</p> <p>19 million -- a few million dollars.</p> <p>20 Q. I don't understand what you just</p> <p>21 said. Can you explain that to me?</p> <p>22 A. Can you ask the question again</p> <p>23 and I'll try to re-answer?</p> <p>24 Q. Yes. At, you know, this point</p>	<p style="text-align: right;">Page 68</p> <p>1 guess, all part of financial planning.</p> <p>2 That's about it. That's the</p> <p>3 best I can do.</p> <p>4 Q. Do you ever recall</p> <p>5 Mr. Billingsley indicating to you that</p> <p>6 Mr. Pavlis had invested any money either with</p> <p>7 Mr. Billingsley or in a company or companies</p> <p>8 that Mr. Billingsley controlled or was</p> <p>9 affiliated with?</p> <p>10 A. Say -- say the first part of</p> <p>11 that question again. I'm sorry.</p> <p>12 Q. That's all right.</p> <p>13 Do you recall Mr. Billingsley</p> <p>14 ever indicating to you that Mr. Pavlis had</p> <p>15 invested any money either through</p> <p>16 Mr. Billingsley or in a company that</p> <p>17 Mr. Billingsley had some affiliation with or</p> <p>18 control over?</p> <p>19 A. So this time you said, did I</p> <p>20 ever hear him say anything about money he had</p> <p>21 invested. I think the first time you said --</p> <p>22 you didn't say "had".</p> <p>23 Q. Okay. Well, I don't want to get</p> <p>24 hung up. I did not intend to draw a</p>
<p style="text-align: right;">Page 67</p> <p>1 in time, either before or within a month or so</p> <p>2 after this meeting in July down in</p> <p>3 Philadelphia, do you recall Mr. Billingsley</p> <p>4 indicating to you that he would like to see</p> <p>5 Frank's investments move from Glenmede Trust to</p> <p>6 some other advisory firm, trust company,</p> <p>7 brokerage firm, some other place, so that</p> <p>8 Glenmede would no longer have any control or</p> <p>9 influence over Mr. Pavlis' investments?</p> <p>10 A. I don't think it was at this --</p> <p>11 this particular time. Was is that? July 2015?</p> <p>12 Q. Correct.</p> <p>13 A. Sometime after, that -- that was</p> <p>14 suggested. But at this time, I think he</p> <p>15 primarily talked about investing some</p> <p>16 additional money into some other sort of</p> <p>17 investment.</p> <p>18 Q. Okay. Do you have any</p> <p>19 recollection of the specifics of that other</p> <p>20 investment?</p> <p>21 A. No. Actually, I didn't even</p> <p>22 know -- I didn't even know what the company was</p> <p>23 or what -- I mean, who they were, what they did</p> <p>24 or what the investment was. It's just, I</p>	<p style="text-align: right;">Page 69</p> <p>1 distinction on that word.</p> <p>2 A. So are we talking past money he</p> <p>3 invested up to this point or future? That's</p> <p>4 what I'm talking about.</p> <p>5 Q. That's a fair distinction.</p> <p>6 Let's talk about past money, and then I'll ask</p> <p>7 you about future.</p> <p>8 A. Well, because of what Darbin</p> <p>9 Skeans initially told me, I knew that</p> <p>10 Mr. Billingsley had invested some of Frank's</p> <p>11 assets somewhere.</p> <p>12 I'm sorry, I keep looking at the</p> <p>13 screen because I'm looking at your face.</p> <p>14 Sorry.</p> <p>15 Q. Oh, is that --</p> <p>16 A. That's why. I like talking to a</p> <p>17 face. Sorry.</p> <p>18 Q. And it's funny, because I like</p> <p>19 seeing your face as well. But we can't do it</p> <p>20 simultaneously. So I appreciate you making the</p> <p>21 effort.</p> <p>22 What do you recall Mr. Skeans</p> <p>23 telling you about that?</p> <p>24 A. When -- let's see, what exactly</p>

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<p style="text-align: right;">Page 70</p> <p>1 did he say? I think early on -- I don't know</p> <p>2 when -- I think early on, that he had</p> <p>3 mentioned, when he told me who Mr. Billingsley</p> <p>4 was, that he was Frank's financial advisor and</p> <p>5 that Frank has invested money -- I think the</p> <p>6 word was "through him," is what he said.</p> <p>7 Q. Okay. Do you recall anything</p> <p>8 more about that conversation?</p> <p>9 A. With Darbin Skeans?</p> <p>10 Q. Yes, sir.</p> <p>11 A. I don't, no. It was just brief.</p> <p>12 Q. Did you ever have a discussion</p> <p>13 with Mr. Skeans again about any investments</p> <p>14 that Mr. Pavlis made either with or through</p> <p>15 Mr. Billingsley?</p> <p>16 A. I don't think so specifically.</p> <p>17 Just several times when Mr. Skeans asked me,</p> <p>18 have you talked to Justin Billingsley about</p> <p>19 Frank's investments, he asked me that several</p> <p>20 times. What specific investments, I have no</p> <p>21 idea.</p> <p>22 Q. Okay. I appreciate that.</p> <p>23 Now, we were talking about prior</p> <p>24 to July or so of 2015. And then you drew the</p>	<p style="text-align: right;">Page 72</p> <p>1 Q. Do you know what investments he</p> <p>2 was referring to?</p> <p>3 A. Whatever investments that</p> <p>4 Mr. Billingsley made.</p> <p>5 Q. And what do you recall</p> <p>6 responding to Mr. Pavlis when he asked you</p> <p>7 that?</p> <p>8 A. I don't know. That was my</p> <p>9 response. I don't know what -- what he did,</p> <p>10 where he invested, how much it was. I have no</p> <p>11 clue.</p> <p>12 Q. Were you ever party to a</p> <p>13 discussion between Mr. Billingsley and</p> <p>14 Mr. Pavlis where they talked about those</p> <p>15 investments?</p> <p>16 A. Yes. I answered that before.</p> <p>17 You have to look back.</p> <p>18 Q. And what do you recall of that</p> <p>19 discussion or those discussions?</p> <p>20 A. Yeah, one, maybe two in his room</p> <p>21 where he talked about his investments and the</p> <p>22 market and why this was good. But I -- I don't</p> <p>23 think I knew the name of the stock or where</p> <p>24 those investments were at that time.</p>
<p style="text-align: right;">Page 71</p> <p>1 distinction between prior to that or future.</p> <p>2 So, again, let me stick in the past for the</p> <p>3 moment.</p> <p>4 Did Mr. Billingsley ever mention</p> <p>5 to you any investments that Mr. Pavlis had made</p> <p>6 either through him or with any company that he</p> <p>7 had some connection with?</p> <p>8 A. I don't believe he ever said</p> <p>9 that it was investments with companies that</p> <p>10 Mr. Billingsley were -- was affiliated with. I</p> <p>11 think it was more he said that he has -- he had</p> <p>12 made some investments for Mr. Pavlis.</p> <p>13 Q. Okay.</p> <p>14 A. But I don't -- I don't recall</p> <p>15 hearing of where. It didn't really matter to</p> <p>16 me, so.</p> <p>17 Q. Did you ever have a discussion</p> <p>18 with Mr. Pavlis about any investments that he</p> <p>19 made either with or through Mr. Billingsley?</p> <p>20 A. Later on, he asked about his</p> <p>21 investments, of about how much he was making on</p> <p>22 those investments.</p> <p>23 Q. Mr. Pavlis?</p> <p>24 A. Mr. Pavlis did.</p>	<p style="text-align: right;">Page 73</p> <p>1 Q. Okay. Do you ever recall either</p> <p>2 seeing or learning after the fact that</p> <p>3 Mr. Billingsley provided Mr. Pavlis with any</p> <p>4 documentation relating to his investments?</p> <p>5 A. I remember one item that he</p> <p>6 provided to Mr. Pavlis. It was a -- a</p> <p>7 binder-type, soft cover binder, like spiral,</p> <p>8 with -- it was some sort of financial</p> <p>9 portfolio, something like that. Frank showed</p> <p>10 it to me and asked me to explain it to him.</p> <p>11 Q. I take it that you did not</p> <p>12 explain it to him?</p> <p>13 A. Uh-hum. Yes, I looked at it.</p> <p>14 And I said, I have -- I don't know.</p> <p>15 Q. Do you know where Mr. Pavlis</p> <p>16 kept that spiral-bound document that he showed</p> <p>17 you? Did he keep it in his apartment</p> <p>18 somewhere?</p> <p>19 A. He kept everything in his</p> <p>20 apartment.</p> <p>21 Q. What do you mean by that?</p> <p>22 A. And it was --</p> <p>23 Q. Go ahead. Continue. I'm sorry.</p> <p>24 A. It -- he handed it to me. And,</p>

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<p style="text-align: right;">Page 110</p> <p>1 about Mr. Billingsley. And then you used the</p> <p>2 phrase, quote, invest this money, get out of</p> <p>3 Glenmede.</p> <p>4 Was that your understanding,</p> <p>5 that Mr. Billingsley was trying to get</p> <p>6 Mr. Pavlis to get out of Glenmede, and you</p> <p>7 felt, for some reason, uncomfortable with that?</p> <p>8 A. I felt uncomfortable with a</p> <p>9 number of things. Mr. Billingsley, evidently</p> <p>10 as a financial advisor, being able to point out</p> <p>11 to Mr. Pavlis the red flags in his current</p> <p>12 investments -- again, not -- I didn't</p> <p>13 understand that, but he explained them to Frank</p> <p>14 in a way that Frank seemed to grasp. And Frank</p> <p>15 would always say, so then what would -- what</p> <p>16 should I do?</p> <p>17 And the answer basically was to</p> <p>18 reinvest more wisely. That's the -- that was</p> <p>19 the thrust.</p> <p>20 Q. Okay.</p> <p>21 A. So -- and then Mr. Billingsley,</p> <p>22 you know, was calling me. It just accelerated.</p> <p>23 And at the same time, occasionally Darbin</p> <p>24 Skeans would ask me, have you talked to</p>	<p style="text-align: right;">Page 112</p> <p>1 A. I have no idea.</p> <p>2 Q. So you and Mr. Pavlis drove down</p> <p>3 to Doylestown to meet with him or did he come</p> <p>4 up?</p> <p>5 A. Oh, he came.</p> <p>6 Q. How long was that meeting?</p> <p>7 A. I don't know. An hour, maybe.</p> <p>8 Q. What do you recall him</p> <p>9 recommending, if anything, during that meeting?</p> <p>10 A. Well, he seemed to also see red</p> <p>11 flags. I -- this is just my opinion. He</p> <p>12 seemed to explain it more succinctly to</p> <p>13 Mr. Pavlis.</p> <p>14 Q. Than whom?</p> <p>15 A. Than anyone previous.</p> <p>16 Q. Okay. And what -- I'm sorry.</p> <p>17 Go ahead.</p> <p>18 A. No, that's it. Than anyone</p> <p>19 previous. I was answering your question.</p> <p>20 Q. Generally speaking, what do you</p> <p>21 recall him explaining to Mr. Pavlis at that</p> <p>22 meeting?</p> <p>23 A. That at his age, you know,</p> <p>24 this -- you need something so that if --</p>
<p style="text-align: right;">Page 111</p> <p>1 Mr. Billingsley about Frank's finances. That</p> <p>2 was kind of odd. I just -- it felt like -- I</p> <p>3 needed some outside source. I don't know</p> <p>4 what's happening here.</p> <p>5 So I figured, you know, this</p> <p>6 person, who evidently was reputable, could</p> <p>7 explain what -- what was going on.</p> <p>8 Q. Do you recall this person's</p> <p>9 name?</p> <p>10 A. Steven -- Steven Nadel.</p> <p>11 Q. How do you spell that last name?</p> <p>12 A. I don't know.</p> <p>13 Q. Can you give me your best shot</p> <p>14 phonetically?</p> <p>15 A. Phonetically, it's not even</p> <p>16 spelled to phonetically. N-a-i -- no,</p> <p>17 N-a-d-e-l.</p> <p>18 Q. Okay. So Steven Nadel. And you</p> <p>19 think he was with Securities America?</p> <p>20 A. I believe that's the name.</p> <p>21 Q. What town was he in?</p> <p>22 A. From Doylestown.</p> <p>23 Q. Doylestown, okay.</p> <p>24 Do you know if he's still there?</p>	<p style="text-align: right;">Page 113</p> <p>1 similar to Mr. Pavlis, but -- I mean, I'm</p> <p>2 sorry, similar to Mr. Billingsley, similar, but</p> <p>3 he felt that he could do better without</p> <p>4 changing -- without changing Mr. Pavlis'</p> <p>5 wishes, you know, like when he died.</p> <p>6 Q. Did you and Mr. Pavlis have any</p> <p>7 further meetings with Mr. Nadel after that</p> <p>8 initial meeting?</p> <p>9 A. At the attorney's.</p> <p>10 Q. Was it Mr. Nadel or somebody</p> <p>11 else who recommended Mr. Stevens?</p> <p>12 A. It was him.</p> <p>13 Q. Okay. Did he explain to you why</p> <p>14 he recommended Mr. Stevens?</p> <p>15 A. I didn't ask. I imagine it's</p> <p>16 somebody he might have worked with or . . . I</p> <p>17 don't know. Or maybe that was his expertise.</p> <p>18 Q. So at some point prior to</p> <p>19 March 10th of 2016, you, Mr. Pavlis, and</p> <p>20 Mr. Nadel went to Mr. Stevens' office; is that</p> <p>21 right?</p> <p>22 A. I met him there.</p> <p>23 Q. Okay. You didn't drive there</p> <p>24 together, but --</p>

DAVID SCOTT WYLLIE

<p style="text-align: right;">Page 126</p> <p>1 now, because you didn't get a chance to</p> <p>2 complete the answer.</p> <p>3 When did you first learn that</p> <p>4 you were being replaced as power of attorney?</p> <p>5 A. I got a letter in the mail from</p> <p>6 a law firm, and I don't remember the name of</p> <p>7 it, letting me know that I was no longer power</p> <p>8 of attorney --</p> <p>9 Q. Okay.</p> <p>10 A. -- which is a moot point,</p> <p>11 because I wasn't power of attorney.</p> <p>12 Q. I understand. You thought you</p> <p>13 were until you spoke with Mr. Stevens, right?</p> <p>14 A. Right.</p> <p>15 Q. Okay. I'll represent to you</p> <p>16 that Ms. Skeans became power of attorney</p> <p>17 effective March 31 of 2016.</p> <p>18 Did you have any further</p> <p>19 communication or interaction with Mr. Pavlis</p> <p>20 after Ms. Skeans became the power of attorney?</p> <p>21 A. He called me or somebody called</p> <p>22 me from Legacy Place asking me the name of the</p> <p>23 dentist that I took him to. I think it was a</p> <p>24 dentist.</p>	<p style="text-align: right;">Page 128</p> <p>1 Q. Well, whenever you learned that</p> <p>2 you were not going to continue as power of</p> <p>3 attorney, from that point forward, did you have</p> <p>4 any further communications with</p> <p>5 Mr. Billingsley?</p> <p>6 A. Well, I didn't learn that I was</p> <p>7 no longer going to be power of attorney,</p> <p>8 because I told Mr. Pavlis that I was resigning</p> <p>9 as power of attorney. So that was already</p> <p>10 determined by me.</p> <p>11 The official letter that came</p> <p>12 saying that someone else was now power of</p> <p>13 attorney was, I guess, just a means of</p> <p>14 formality.</p> <p>15 And after that letter, I don't</p> <p>16 think I have talked to Mr. Billingsley since.</p> <p>17 I don't remember.</p> <p>18 Q. All right. Do you recall,</p> <p>19 after -- let's just say after you resigned from</p> <p>20 the Legacy Place board -- which I believe was</p> <p>21 in April of 2016. Does that sound about right?</p> <p>22 A. That sounds -- yeah, that</p> <p>23 sounds -- I don't know. Actually, something</p> <p>24 doesn't sound right.</p>
<p style="text-align: right;">Page 127</p> <p>1 Q. But apart from that, any</p> <p>2 further --</p> <p>3 A. That's it.</p> <p>4 Q. Is there any particular reason</p> <p>5 why you didn't continue to have interaction</p> <p>6 with Mr. Pavlis?</p> <p>7 A. Well, my interaction was, you</p> <p>8 know, helping him. So I was no longer going to</p> <p>9 do that, so that . . .</p> <p>10 Q. Did you continue to go to Legacy</p> <p>11 Place?</p> <p>12 A. For -- briefly. And then I</p> <p>13 resigned.</p> <p>14 Q. I'm sorry, then you what?</p> <p>15 A. Resigned.</p> <p>16 Q. Okay. Resigned from what?</p> <p>17 A. Legacy Place, the board, you</p> <p>18 know, volunteer.</p> <p>19 Q. The board, okay.</p> <p>20 After you were no longer power</p> <p>21 of attorney, did you have any further</p> <p>22 communication with Mr. Billingsley?</p> <p>23 A. You mean after I got that --</p> <p>24 that letter from that law firm?</p>	<p style="text-align: right;">Page 129</p> <p>1 Q. No?</p> <p>2 A. I don't know.</p> <p>3 Q. But do you recall Mr. Skeans in</p> <p>4 particular making any effort to try to reach</p> <p>5 out to you or discuss anything with you as it</p> <p>6 related to Mr. Pavlis?</p> <p>7 A. No, not that -- not that I</p> <p>8 remember.</p> <p>9 Q. Do you recall Mrs. Skeans</p> <p>10 reaching out to you and trying to engage you to</p> <p>11 discuss anything relating to Mr. Pavlis?</p> <p>12 A. I was in a restaurant parking</p> <p>13 lot, and she came over and banged on my window,</p> <p>14 had words with me. And I didn't really say</p> <p>15 much to that.</p> <p>16 Q. What do you recall her saying to</p> <p>17 you?</p> <p>18 A. That I owe Mr. Pavlis an</p> <p>19 apology.</p> <p>20 Q. Anything else?</p> <p>21 A. That's all -- that's what I</p> <p>22 recall. It was very brief. I was on my way to</p> <p>23 an appointment, so I didn't . . .</p> <p>24 Q. Did she indicate to you why she</p>

DA-5

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

- - -

DEBORAH S. SKEANS, : CIVIL ACTION
Executrix of the ESTATE : NUMBER
OF FRANK E. PAVLIS, : 1:18-cv-01516-
Plaintiff, : CFC
v. :
KEY COMMERCIAL FINANCE, :
LLC, KEY COMMERCIAL :
FINANCE PROPERTIES, LLC, :
EQUITY PROS, LLC, and :
MOBILE AGENCY, LLC, :
Defendants. :

- - -

Wednesday, April 29, 2020

- - -

Oral deposition of DEBORAH S.
SKEANS, taken remotely via Zoom, at 222 North
28th Street, Allentown, Pennsylvania 18104,
beginning at 9:32 a.m., reported
stenographically by Cheryl L. Goldfarb, a
Registered Professional Reporter, Notary
Public, and an approved reporter of the United
States District Court.

- - -

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Philadelphia, Pennsylvania 19103

<p style="text-align: right;">Page 2</p> <p>1 APPEARANCES:</p> <p>2</p> <p>3 STRADLEY RONON STEVENS & YOUNG, LLP</p> <p>4 BY: WILLIAM E. MAHONEY, JR., ESQUIRE</p> <p>5 CAMERON REDFERN, ESQUIRE</p> <p>6 2005 Market Street, Suite 2600</p> <p>7 Philadelphia, Pennsylvania 19103</p> <p>8 215.564.8000</p> <p>9 wmahoney@stradley.com</p> <p>credfern@stradley.com</p> <p>Representing the Plaintiff</p> <p>(Via Zoom)</p> <p>10</p> <p>11 HALLORAN FARKAS & KITTLA, LLP</p> <p>12 BY: WILLIAM E. GREEN, JR., ESQUIRE</p> <p>13 THEODORE A. KITTLA, ESQUIRE</p> <p>14 5801 Kennett Pike, Suite C</p> <p>15 Wilmington, Delaware 19807</p> <p>302.257.2011</p> <p>wg@hfk.law</p> <p>tk@hfk.law</p> <p>Representing the Defendants</p> <p>(Via Zoom)</p> <p>16</p> <p>17 ---</p> <p>18 ALSO PRESENT:</p> <p>19 DARBIN SKEANS (Via Zoom)</p> <p>20 JUSTIN BILLINGSLEY (Via Zoom)</p> <p>21</p> <p>22 ---</p> <p>23</p> <p>24</p>	<p style="text-align: right;">Page 4</p> <p>1 EXHIBITS</p> <p>2 NUMBER DESCRIPTION MARKED FOR ID</p> <p>3</p> <p>4 D-10 E-mails dated July 14 and 18, 122</p> <p>5 2016 with attachment,</p> <p>6 KCF003872 through 003876</p> <p>7</p> <p>8 D-11 E-mail dated September 17, 134</p> <p>9 2013, P-000561 through 000563</p> <p>10 D-12 E-mail dated June 8, 2014 139</p> <p>P-000843</p> <p>11</p> <p>12 D-13 E-mail dated March 27, 2018 149</p> <p>13 P-002617 and 002618</p> <p>14</p> <p>15 ---</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>
<p style="text-align: right;">Page 3</p> <p>1 INDEX</p> <p>2 ---</p> <p>3 WITNESS: DEBORAH S. SKEANS</p> <p>4 QUESTIONED BY: PAGE:</p> <p>5 MR. GREEN</p> <p>6 ---</p> <p>7 EXHIBITS</p> <p>8 NUMBER DESCRIPTION MARKED FOR ID</p> <p>9</p> <p>10 D-1 Deborah Skeans, CCIM, MAI 16</p> <p>11 Biography</p> <p>12 D-2 Frank Edward Pavlis obituary 29</p> <p>13 in Morning Call</p> <p>14</p> <p>15 D-3 Last Will and Testament 40</p> <p>16 P-003904 through 003909</p> <p>17 D-4 E-mail dated November 5, 2012 73</p> <p>18 P-000266</p> <p>19</p> <p>20 D-5 Assignment of Note and 82</p> <p>21 Convertible Promissory Note</p> <p>22 for \$3 million, P-000092</p> <p>23 through 000099</p> <p>24 D-6 Two-page handwritten document 86</p> <p>P-000065 and 000066</p> <p>19</p> <p>20 D-7 Letter dated March 6, 2015 88</p> <p>21 P-000086</p> <p>22 D-8 E-mails dated from September 26 92</p> <p>23 through October 1, 2017</p> <p>24 P-001975 through 001977</p> <p>D-9 E-mail dated July 14, 2016 112</p> <p>and attachment, KCF003845</p> <p>through 003849</p>	<p style="text-align: right;">Page 5</p> <p>1 DEPOSITION SUPPORT INDEX</p> <p>2</p> <p>3 DIRECTION TO WITNESS NOT TO ANSWER</p> <p>4 Page Line Page Line</p> <p>5 51 20-23 131 4-9</p> <p>6 132 4-7 145 22-23</p> <p>7</p> <p>8</p> <p>9 REQUEST FOR PRODUCTION OF DOCUMENTS</p> <p>10 Page Line Description</p> <p>11 (None)</p> <p>12</p> <p>13</p> <p>14 STIPULATIONS</p> <p>15 Page Line</p> <p>16 (Pursuant to Federal Rules of Civil Procedure)</p> <p>17</p> <p>18</p> <p>19 QUESTIONS MARKED</p> <p>20 Page Line Question</p> <p>21 130 17-19 "Well, sure. Now, this is a</p> <p>22 member of the board that you</p> <p>23 don't want to talk about?"</p> <p>24</p>

DEBORAH S. SKEANS

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<p>1 ---</p> <p>2 DEBORAH S. SKEANS, after having</p> <p>3 been first duly sworn, was examined and</p> <p>4 testified as follows:</p> <p>5 ---</p> <p>6 THE WITNESS: I do.</p> <p>7 THE COURT REPORTER: Thank you</p> <p>8 very much.</p> <p>9 ---</p> <p>10 EXAMINATION</p> <p>11 ---</p> <p>12 BY MR. GREEN:</p> <p>13 Q. Good morning, Ms. Skeans.</p> <p>14 A. Good morning.</p> <p>15 Q. I'm going to go over the general</p> <p>16 ground rules. I know you have watched at least</p> <p>17 three depositions.</p> <p>18 Have you ever been deposed</p> <p>19 before?</p> <p>20 A. Yes.</p> <p>21 Q. When was that?</p> <p>22 A. I think about ten years ago,</p> <p>23 there was a -- a matter in our office and there</p> <p>24 was a deposition. And then about a year ago,</p>	<p>1 court reporter has to take down everything you</p> <p>2 say.</p> <p>3 If I ask a question and you</p> <p>4 don't understand it, please let me know. If</p> <p>5 you answer, I will assume you understand the</p> <p>6 question.</p> <p>7 Do you understand so far?</p> <p>8 A. Yes, I do.</p> <p>9 Q. We can take breaks when you</p> <p>10 want. But if I've asked a question, I need to</p> <p>11 you answer it before we take a break.</p> <p>12 Is there anything that would</p> <p>13 prevent you from testifying truthfully today?</p> <p>14 A. No.</p> <p>15 Q. Are you on any medications that</p> <p>16 could affect your ability to testify?</p> <p>17 A. No.</p> <p>18 Q. Did you do anything in</p> <p>19 preparation for this deposition?</p> <p>20 A. I looked over a couple of pages</p> <p>21 of my notes.</p> <p>22 Q. What notes are these?</p> <p>23 A. They were my original note when</p> <p>24 I met -- when I was made power of attorney. I</p>
Page 7	Page 9
<p>1 there was a commission dispute in our office</p> <p>2 with one of our agents, and I believe I spoke</p> <p>3 at that deposition. I was certainly there.</p> <p>4 Q. So was that two different</p> <p>5 depositions?</p> <p>6 A. Two different ones. One was ten</p> <p>7 years ago. One was last year.</p> <p>8 Q. Ten years ago, what was the case</p> <p>9 about?</p> <p>10 A. We had an agent in our office,</p> <p>11 in our real estate office, that was a partner.</p> <p>12 And he and another agent left our office. And</p> <p>13 there was a dispute about files. And so there</p> <p>14 was a deposition. It never went to trial. It</p> <p>15 was resolved. But there was a deposition in</p> <p>16 that matter.</p> <p>17 Q. Got it. Okay. So you've done</p> <p>18 this before and you know the general ground</p> <p>19 rules?</p> <p>20 A. I believe so.</p> <p>21 Q. You're under oath.</p> <p>22 A. Yes.</p> <p>23 Q. You have to answer verbally. We</p> <p>24 have to try not to speak over each other. The</p>	<p>1 took an iPad note of my very first discussion</p> <p>2 with Frank and Glenmede.</p> <p>3 Q. Are you aware if that's</p> <p>4 something that we've been produced in</p> <p>5 discovery?</p> <p>6 A. I believe so.</p> <p>7 Q. Generally speaking, what's the</p> <p>8 content of that, so I can see if I remember</p> <p>9 seeing it in the discovery?</p> <p>10 A. It was just that Frank had a</p> <p>11 trust with Glenmede. Ed Lentz I knew was his</p> <p>12 attorney. Susan Mucciarone was the person in</p> <p>13 charge of Frank. And it was a short meeting</p> <p>14 that established -- it was the very first</p> <p>15 meeting with Glenmede.</p> <p>16 Q. And Susan Lucciarone -- am I</p> <p>17 saying that right, Lucciarone?</p> <p>18 A. Mucciarone, I believe.</p> <p>19 Q. Is it Mucciarone with an "M"?</p> <p>20 A. M-u-c-c. Mucciarone.</p> <p>21 Q. Thank you. And about when was</p> <p>22 this, timewise?</p> <p>23 A. That would have been early</p> <p>24 April 2016.</p>

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DEBORAH S. SKEANS

<p style="text-align: right;">Page 26</p> <p>1 that he had been an early employee at Air 2 Products. 3 Q. And there came a point when you 4 found out that he had a lot of money; is that 5 true? 6 A. We never knew how much money 7 Frank had. We assumed he had considerable 8 money, because he was an early employee at Air 9 Products. Air Products had done very well. He 10 had no children. And he lived modestly. So 11 most of us came to the conclusion that he had 12 money. 13 Q. Understood. Are you aware if he 14 was generous with his money? Did he give to 15 charity? 16 A. I had no idea in 2010 what he 17 had specifically or who he gave to. 18 Q. Okay. 19 A. Excuse me. 20 Q. There was -- 21 A. Excuse me, with one caveat. 22 When the wife -- when the Allentown 23 congregation wanted to build a new Kingdom 24 Hall -- I'm trying to think of the year. I</p>	<p style="text-align: right;">Page 28</p> <p>1 A. Yes. 2 Q. Did you have any other 3 involvement with the obituary? 4 A. Oh, yes. Frank wrote his own 5 obituary. 6 Q. Really? 7 A. Yes. 8 Q. How do you know that? 9 A. Because when I became power of 10 attorney, he had a binder. And in his binder, 11 he had several drafts of an obituary. He was a 12 very, very organized man. He prepared for his 13 death for a long time. And he had multiple 14 versions of the obituary. And then he would 15 occasionally ask me to sit and decide whether 16 he wanted something tweaked or changed. 17 And I believe that, you know, 18 in -- in substantial form, or if not in exact 19 form, that obituary was approved by Frank 20 Pavlis. And I was instructed to put it in the 21 newspaper -- 22 Q. Understood. 23 A. -- at his death. 24 MR. GREEN: Understood.</p>
<p style="text-align: right;">Page 27</p> <p>1 would say about '05, somewhere around there -- 2 my Uncle Joe -- the property cost \$250,000. My 3 Uncle Joe went to Frank, and he came back to -- 4 to Darbin and I, who were simply talking to the 5 elders in our Hall about the acquisition, and 6 he said, Frank and I are contributing equally 7 to buy the land for the Kingdom Hall. 8 So I did know that he was 9 disposed to assist in what we would consider 10 theocratic efforts. So he and my Uncle Joe, 11 the two of them did that. 12 MR. GREEN: Got it. Thank you. 13 Okay. I'm going to attempt 14 again to show a document, and so bear 15 with me here. Oh, one more click. 16 BY MR. GREEN: 17 Q. And now I think -- well, let me 18 start it this way: Mr. Pavlis passed away, 19 yes? 20 A. Yes. 21 Q. Are you aware there was an 22 obituary in the Morning Call newspaper? 23 A. Yes. 24 Q. Did you read the obituary?</p>	<p style="text-align: right;">Page 29</p> <p>1 Now, what I'm showing on your 2 screen is going to be Defendants' 3 Exhibit 2. I can represent I basically 4 printed this screen from the Morning Call 5 newspaper. And I printed it as a PDF and 6 saved it. And that's what we're looking 7 at. 8 --- 9 (Whereupon, Exhibit D-2 is 10 marked for identification.) 11 --- 12 BY MR. GREEN: 13 Q. Do you recognize this photograph 14 of Mr. Pavlis? 15 A. Yes. 16 Q. And you recognize that because 17 you knew what he looked like? 18 A. Yes. 19 Q. Do you have an idea of when this 20 picture was taken? 21 I might be able to make it 22 bigger. 23 A. I do not know when it was taken. 24 Q. I'm going to scroll through the</p>

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DEBORAH S. SKEANS

<p style="text-align: right;">Page 34</p> <p>1 28 years."</p> <p>2 Did his lifestyle reflect that</p> <p>3 he was this sophisticated of a businessperson?</p> <p>4 A. He lived a nice upper middle</p> <p>5 class lifestyle. He had a nice home off Cedar</p> <p>6 Crest Boulevard before he lived in -- until</p> <p>7 Ethel died.</p> <p>8 He worked for Mr. Pool for three</p> <p>9 dollars a day. He was a scientist. When he</p> <p>10 was asked to become treasurer by Mr. Pool, he</p> <p>11 said, how can I be treasurer? I don't know</p> <p>12 anything about finance. And Leonard's response</p> <p>13 was, anybody who can live on three dollars a</p> <p>14 day can become my treasurer.</p> <p>15 That's when, you know, he did</p> <p>16 make some effort and he did the Harvard class.</p> <p>17 And he educated himself in order to do the job</p> <p>18 he was assigned.</p> <p>19 Q. I'm going to scroll down a</p> <p>20 little bit more.</p> <p>21 "The Memorial talk will be on</p> <p>22 September 10, Monday at 4:00 p.m. at the</p> <p>23 Kingdom Hall of Jehovah's Witnesses," and</p> <p>24 there's the address.</p>	<p style="text-align: right;">Page 36</p> <p>1 Q. Is there a different Jah Jireh</p> <p>2 Homes of America or is it all just one</p> <p>3 organization?</p> <p>4 A. Yes, there -- there was. I</p> <p>5 think they may now be -- I don't know what the</p> <p>6 situation is. There's a Jah Jireh Homes of</p> <p>7 America that's centered in Georgia.</p> <p>8 Q. Got it. Is that affiliated with</p> <p>9 the Jah Jireh that's in Allentown?</p> <p>10 A. No.</p> <p>11 Q. Is it also a Jehovah's Witness</p> <p>12 charitable entity?</p> <p>13 A. It was -- to our</p> <p>14 understanding -- to my understanding, it's a</p> <p>15 501(3)(c) like we are. It was created by a</p> <p>16 group of Brothers in order to try to develop a</p> <p>17 similar facility in the Atlanta area. I don't</p> <p>18 believe that they ever built a project.</p> <p>19 Q. Now, I'm just scrolling down,</p> <p>20 because this is how it printed out. There's</p> <p>21 "Memorial Events" and then "Memories and</p> <p>22 Condolences," something of a memory book here</p> <p>23 as it printed out. And there's one I wanted to</p> <p>24 look at.</p>
<p style="text-align: right;">Page 35</p> <p>1 Did you attend the memorial</p> <p>2 talk?</p> <p>3 A. Yes, I did.</p> <p>4 Q. Do you know if Justin</p> <p>5 Billingsley attended the memorial talk?</p> <p>6 A. I saw him at the back of the</p> <p>7 Hall.</p> <p>8 Q. I'm going to move on to the next</p> <p>9 sentence. "Contributions to Jah Jireh Homes of</p> <p>10 America - Allentown" -- oh, I'm sorry, that's a</p> <p>11 sentence. Let me phrase that differently.</p> <p>12 "Contributions to Jah Jireh</p> <p>13 Homes of America - Allentown, 2051 Bevin Drive,</p> <p>14 Allentown, Pennsylvania 18103. They will be</p> <p>15 used to fund charitable care at Legacy Place</p> <p>16 Cottages."</p> <p>17 And that's the same Jah Jireh</p> <p>18 and Legacy Place Cottages that we were speaking</p> <p>19 of earlier?</p> <p>20 A. Yes, it is.</p> <p>21 Q. Is the official name of the</p> <p>22 organization Jah Jireh Homes of America -</p> <p>23 Allentown?</p> <p>24 A. Yes.</p>	<p style="text-align: right;">Page 37</p> <p>1 There's a memory here or there's</p> <p>2 an entry here that says, "Mr. Pavlis was a</p> <p>3 generous benefactor for Circle of Seasons</p> <p>4 Charter School. I offer my sincere condolences</p> <p>5 to his family and friends, especially the</p> <p>6 Skeans family." And based on the formatting,</p> <p>7 it looks like it's signed by a Stacey Prohaska.</p> <p>8 Do you see that?</p> <p>9 A. Yes.</p> <p>10 Q. What is Circle of Seasons</p> <p>11 Charter School?</p> <p>12 A. Circle of Seasons Charter School</p> <p>13 is a 501(3)(c) in the Allentown area, that it's</p> <p>14 a charter school. Stacy Prohaska was an</p> <p>15 employee of the school, that one of her</p> <p>16 responsibilities was dealing with financial</p> <p>17 matters.</p> <p>18 Q. Gotcha. Now, you said, "was an</p> <p>19 employee."</p> <p>20 Is she still an employee?</p> <p>21 A. No. I believe she now works for</p> <p>22 one of the -- she works for another non-profit</p> <p>23 in the area.</p> <p>24 Q. Got it. And do you have any</p>

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<p style="text-align: right;">Page 38</p> <p>1 connection with Circle of Seasons Charter 2 School? 3 A. Yes. Well, my grandchildren go 4 there. I have two grandchildren, and they both 5 attend the charter school. 6 Q. Were you ever on the board of 7 Circle of Seasons Charter School? 8 A. No. 9 Q. Was your son or daughter-in-law 10 ever on the Circle of Seasons Charter School 11 board? 12 A. No. Although my daughter -- my 13 daughter-in-law does head one of the committees 14 or subsidiaries, something or other, the last 15 few years. In fact, I think she just might 16 have stepped down. 17 Q. Got it. 18 A. She helped. 19 MR. GREEN: Okay. I'm going to 20 hit stop share on this. 21 Oh, wait. I think I want to 22 show another document. 23 Well, I can start without a 24 document.</p>	<p style="text-align: right;">Page 40</p> <p>1 you get dizzy while I scroll, just look 2 away from the screen a second. It starts 3 at P-003904 and ends on P-003909. Let me 4 scroll up. The first line is "Last Will 5 and Testament." 6 I guess I'll mark this as 7 Defendants' Exhibit 3. 8 --- 9 (Whereupon, Exhibit D-3 is 10 marked for identification.) 11 --- 12 BY MR. GREEN: 13 Q. Have you seen this document 14 before? 15 A. Yes. 16 Q. Can you tell me what it is? 17 A. I believe you're representing it 18 to be, and I believe it to be, Frank's Last 19 Will and Testament. I did not see the date at 20 the end when you were scrolling. I assume it's 21 the last Will. 22 Q. Sure. You know what? I can 23 give you control of this. And this might be 24 fun.</p>
<p style="text-align: right;">Page 39</p> <p>1 BY MR. GREEN: 2 Q. You're the executrix of the 3 Frank Pavlis estate; is that true? 4 A. Yes. 5 Q. How did you come to be the 6 executrix of the Frank Pavlis estate? 7 A. Frank asked me to become 8 executrix. And he met with Ed Lentz, and they 9 made paperwork to make me the executrix. 10 Q. And Ed Lentz was Frank Pavlis' 11 attorney? 12 A. Longtime attorney. 13 Q. Did Ed Lentz write the Will -- 14 A. Yes. 15 Q. -- for Mr. Pavlis? 16 A. I believe so. 17 MR. GREEN: Let's look at his 18 Will real quick. I'm going to hit share 19 screen. And then with any luck, I'm 20 going to get this right. 21 Whoops, I have to hit one more 22 button. Hang on. There we go. 23 Now, this is a document that was 24 just recently produced in discovery. If</p>	<p style="text-align: right;">Page 41</p> <p>1 Do you have a mouse or 2 something? Rather, what are you watching this 3 on? Are you on a tablet or a computer? 4 A. I'm on a computer. 5 Q. Okay. So let's see. So I'm 6 going to try to give you control here. Now, if 7 you want to, try to scroll through. 8 A. Let's see. Up on the top, under 9 "View Options," I can hit for "Request Remote 10 Control." 11 Q. Yes. Please do that. 12 A. There we go, request. 13 Q. Oh, and I have to approve you. 14 A. Click to start. 15 Did you approve me? 16 Q. I approved you. 17 A. It says I am controlling . . . 18 Okay, let's try it with this. 19 Q. I just want you to scroll. 20 A. There we go. I can use it with 21 the keyboard. It's easier. 22 Q. Terrific. 23 A. Alrighty. 24 Q. And I'm really just having you</p>

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<p style="text-align: right;">Page 58</p> <p>1 going to stop sharing this a second and 2 then come back. 3 BY MR. GREEN: 4 Q. Now, you had mentioned before, 5 in listing the assets of the estate, you 6 mentioned a \$1 million Allwest note and a 7 \$4 million Key Commercial Finance note. 8 Because it's part of the 9 litigation, you're also aware that there is a 10 \$3 million Key Commercial Finance note, yes? 11 A. Yes. 12 MR. MAHONEY: I'll object to the 13 extent that it calls for a legal 14 conclusion as to whether that note truly 15 exists or was valid. 16 I don't want to keep 17 interrupting you, Bill, on this. 18 MR. GREEN: Sure. 19 MR. MAHONEY: With that standing 20 objection whenever you or Ms. Skeans 21 refers to that note, I'm happy to let you 22 ask questions about it. 23 MR. GREEN: Gotcha. 24 BY MR. GREEN:</p>	<p style="text-align: right;">Page 60</p> <p>1 Q. Understood. The \$3 million note 2 is still in the litigation, though, yes? 3 MR. MAHONEY: I'm sorry, Bill. 4 Finish your question. I'm sorry. 5 MR. GREEN: Oh, sure. 6 BY MR. GREEN: 7 Q. The \$3 million note is still a 8 subject of this litigation, though, yes? 9 MR. MAHONEY: I'll object to the 10 extent it calls for a legal conclusion. 11 Deb, you can give your view. 12 A. In my under -- to my 13 understanding, yes, it is. 14 BY MR. GREEN: 15 Q. Does Watchtower know about this 16 litigation? 17 A. Yes. 18 Q. How does Watchtower know about 19 this litigation? 20 A. They have been -- I informed 21 Watchtower of the difficulties I was having to 22 secure information concerning the monies that 23 were due them under the Will. And they were 24 aware of our hiring of counsel. They were</p>
<p style="text-align: right;">Page 59</p> <p>1 Q. So when I say \$3 million note, 2 I'm going to mean some representation, some 3 piece of writing that looks like it says it's a 4 note, and says it's a note for \$3 million, and 5 says it was due -- I believe it was 6 September 2019. I don't have the date on the 7 top of my head. So we're talking about the 8 same note. 9 You're aware of that \$3 million 10 note, yes? 11 A. Yes. 12 Q. Did you intentionally not 13 include the \$3 million note in your list of 14 estate assets? 15 A. Yes. 16 Q. Why did you not include the 17 \$3 million note in the list of estate assets? 18 A. Because that note had a TOD 19 assignment on it at Ed Lentz's request. It was 20 the only note that we were aware of at the time 21 the TODs -- a TOD was requested. And so we 22 processed with Mr. Billingsley the TOD. So at 23 death, that note transferred to the beneficiary 24 under his Will, which was Watchtower.</p>	<p style="text-align: right;">Page 61</p> <p>1 aware of our preparation for litigation. 2 Q. Was there anybody in particular 3 at Watchtower you spoke with? 4 A. Initially, the attorney at the 5 charitable planning office was Erna Neufeld, 6 N-e-u-f-e-l-d. Erna, unfortunately, passed 7 away from cancer a couple years ago. And then 8 Christine Benham became the attorney that 9 primarily handled Frank's estate. And Attorney 10 Rick Moake at Watchtower has been in 11 communication with me. And I spoke very 12 briefly to one other attorney at Watchtower 13 during this whole period, and his name was John 14 Miller. 15 Q. I guess I'll start at the end. 16 What did you tell John Miller 17 about this litigation? 18 A. John Miller and I had a phone 19 call. And I was very concerned about the 20 conduct of Mr. Billingsley. But I felt that it 21 was inappropriate to file litigation against a 22 Brother. And we talked about that issue. 23 Q. Why was it inappropriate to file 24 litigation against a Brother?</p>

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<p style="text-align: right;">Page 66</p> <p>1 Justin Billingsley?</p> <p>2 A. It was recommended by Judah</p> <p>3 Schroder, a friend of ours, that Justin might</p> <p>4 be a good person to meet.</p> <p>5 Q. Who is Judah Schroder?</p> <p>6 A. Judah Schroder is a longtime</p> <p>7 friend of my husband's. He lived in New York.</p> <p>8 He also worked for Watchtower as a volunteer</p> <p>9 during portions of his life.</p> <p>10 Q. So Mr. Skeans knew Mr. Schroder</p> <p>11 when they worked at or volunteered at</p> <p>12 Watchtower in New York?</p> <p>13 A. He knew -- he knew Judah for</p> <p>14 many years, even when he was a child. Judah's</p> <p>15 father was a long time, full-time volunteer for</p> <p>16 Watchtower. And Judah actually kind of was</p> <p>17 raised in an environment near the headquarters.</p> <p>18 And so I had even met Judah as a child, when he</p> <p>19 was a child. I knew his mother and father.</p> <p>20 And Darbin knew his mother and father.</p> <p>21 Q. Did Judah Schroder facilitate</p> <p>22 the introduction to Justin Billingsley?</p> <p>23 A. Yes.</p> <p>24 Q. Around when was that, ballpark?</p>	<p style="text-align: right;">Page 68</p> <p>1 Q. Was the idea that Justin</p> <p>2 Billingsley would work for or volunteer for Jah</p> <p>3 Jireh in some capacity?</p> <p>4 A. The primary reason we met with</p> <p>5 him was so that he would have -- he might be</p> <p>6 introduced to Frank. And if Frank wished to</p> <p>7 share with him his financial situation, the</p> <p>8 context in which he might want to make the</p> <p>9 donation that he had already been talking to us</p> <p>10 about, that he would be able to do so without</p> <p>11 us being so close or so privy to Frank's</p> <p>12 private financial matters.</p> <p>13 Q. Understood. Thank you.</p> <p>14 Did you introduce</p> <p>15 Mr. Billingsley to Mr. Pavlis?</p> <p>16 A. Darbin and -- and/or I or</p> <p>17 together, yes.</p> <p>18 Q. Actually, do you remember the</p> <p>19 first time that you were in the same room as</p> <p>20 Justin and Mr. Pavlis at the same time?</p> <p>21 A. I honestly -- I don't exactly</p> <p>22 remember our first meeting. I do remember one</p> <p>23 time being in Frank's apartment on Hamilton</p> <p>24 Street with Justin being there.</p>
<p style="text-align: right;">Page 67</p> <p>1 A. I think that was in late 2012.</p> <p>2 Excuse me. Excuse me. '11.</p> <p>3 Q. Eleven?</p> <p>4 A. I would say that was -- let me</p> <p>5 think a minute. Sometime late '11, late '11,</p> <p>6 early -- yeah, late '11, early -- yeah, late</p> <p>7 '11. I think that's correct.</p> <p>8 Q. Were you introduced to</p> <p>9 Mr. Billingsley in person or did you first meet</p> <p>10 him online or telephone?</p> <p>11 A. In person. Judah arranged for a</p> <p>12 meeting up in New York City. And the four of</p> <p>13 us met. I mean, the four of us were there,</p> <p>14 Judah, Justin, Darbin and I.</p> <p>15 Q. What was the purpose of you</p> <p>16 meeting Mr. Billingsley in New York?</p> <p>17 A. Judah was aware that we were</p> <p>18 developing the non-profit Legacy Place project.</p> <p>19 And we were talking to many Brothers and</p> <p>20 Sisters that would be interested in assisting</p> <p>21 in that project as volunteers, as we were. And</p> <p>22 we also had Frank Pavlis in mind, because we</p> <p>23 knew that he was a potential major donor and --</p> <p>24 and wanted to reside there.</p>	<p style="text-align: right;">Page 69</p> <p>1 Q. Sure. I guess I'll ask it a</p> <p>2 different way.</p> <p>3 What was Justin's intended role</p> <p>4 with Mr. Pavlis?</p> <p>5 A. Although my Uncle Joe and Darbin</p> <p>6 had had conversations with Frank about donating</p> <p>7 in some way to the Legacy Place project,</p> <p>8 similar to my uncle donating and us donating,</p> <p>9 there was hesitation on the part of Darbin and</p> <p>10 I to become fully engaged with Frank on his</p> <p>11 personal financial situation.</p> <p>12 And it was felt by Mr. Schroder</p> <p>13 that with Justin's background, working in</p> <p>14 financial matters and advising people</p> <p>15 financially, that this might be a good</p> <p>16 introduction. And if Frank liked him, that</p> <p>17 that might be an opportunity to further those</p> <p>18 discussions one step away from Darbin and I.</p> <p>19 Q. Understood. Thank you.</p> <p>20 Well, did Mr. Billingsley and</p> <p>21 Mr. Pavlis get on well?</p> <p>22 A. I was not tremendously engaged</p> <p>23 at this point. Most of the conversations</p> <p>24 around that time were by Darbin and Mr. Pavlis.</p>

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<p style="text-align: right;">Page 70</p> <p>1 But, yes, I believe that based on our 2 representation of who Justin was, that Frank 3 felt comfortable with him. 4 Q. Now, did Mr. Billingsley also -- 5 I'm jumping a bit, but did Mr. Billingsley 6 pitch investment opportunities to you? 7 A. Yes. 8 Q. Did you pitch any business 9 opportunities to Mr. Billingsley? 10 A. Not that I recall. 11 Q. Did you ever offer him a job? 12 A. No. 13 Q. Did you ever approach him to be 14 a member of the board of Jah Jireh? 15 A. I did not. My husband may have. 16 Q. Did you ever invite him to take 17 part as a board member of a non-profit 18 organization? 19 A. My husband was having 20 conversations with various people to see if 21 they had interest in supporting the non-profit. 22 I did not. 23 Q. And I think you already said -- 24 you can correct this if I'm saying it wrong --</p>	<p style="text-align: right;">Page 72</p> <p>1 how he could get his things moved there and all 2 the practical things that would come with a 3 major, you know, relocation at his age. 4 BY MR. GREEN: 5 Q. Understood. So the idea was, 6 you communicated directly with Frank about the 7 living facility. And Justin's role was to 8 communicate with Frank about any sort of 9 charitable donation to Legacy Place? 10 A. Yes. 11 MR. GREEN: All right. Don't 12 mind me. I'm scrolling through some 13 documents, while I see if I want to show 14 you anything yet before our 11:00 break. 15 Well, here, let me do this: So 16 I'm going to go throw up a document here. 17 I think I'm up to Defendants' 4. 18 I guess for my own purposes, 19 what I'm going to do here is, I'm going 20 to scroll to the bottom so I can see the 21 Bates numbers, so I can read them into 22 the record. 23 So this is Defendants' 4 and 24 it's Bates P-000266.</p>
<p style="text-align: right;">Page 71</p> <p>1 Mr. Billingsley had a role in facilitating 2 Mr. Pavlis' donation to Legacy Place; is that 3 correct? 4 A. Yes. 5 Q. Now, walk me through that role. 6 And, again, let me make that into a question. 7 I guess, if you would, describe 8 how it was that Mr. Billingsley helped 9 facilitate Mr. Pavlis' investment or donation 10 to Legacy Place. 11 MR. MAHONEY: Yes. I'll object 12 to the characterization as "investment." 13 But, Deb, you can answer the 14 question. 15 A. I don't know any details. All 16 we did was introduce Mr. Billingsley to Frank 17 Pavlis. What they discussed, I was not privy 18 to. 19 My discussions with Frank at 20 that point centered exclusively on his interest 21 in living at Legacy Place. And I spent several 22 meetings talking to him about the structure of 23 Legacy Place, what his room would look like. 24 Darbin spent a lot of time on</p>	<p style="text-align: right;">Page 73</p> <p>1 --- 2 (Whereupon, Exhibit D-4 is 3 marked for identification.) 4 --- 5 BY MR. GREEN: 6 Q. This purports to be an e-mail 7 from Justin Billingsley, dated November 5, 8 2012, to Debby Skeans regarding Frank Pavlis. 9 Do you see this, Mrs. Skeans? 10 A. Yes, I do. 11 Q. Okay, great. The technology is 12 working. 13 So Justin here says, "Debby, 14 Sorry for the delay. Please see below." 15 And I'm going to scroll down. 16 Here, let me size this a little bit better, and 17 why don't I let you have control of it to 18 scroll through. 19 I'm going to ask you, once 20 you're done scrolling through -- if you would, 21 please request control of the document. 22 A. Uh-hum. I think I'm still 23 controlling it. It still says I'm supposed to 24 be able to. Let's see. Nope.</p>

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<p style="text-align: right;">Page 74</p> <p>1 I guess you have to actually</p> <p>2 stop it and start it.</p> <p>3 Q. Let me try it again.</p> <p>4 A. Now I request. Okay.</p> <p>5 MS. REDFERN: Sometimes you</p> <p>6 might have to click the screen, Debby,</p> <p>7 once, and then you should be able to</p> <p>8 scroll.</p> <p>9 THE WITNESS: No. It worked</p> <p>10 before. Let's see, let's try it again.</p> <p>11 Maybe because -- here, my request has to</p> <p>12 go to you, too.</p> <p>13 MR. GREEN: Here you go. I have</p> <p>14 approved you.</p> <p>15 THE WITNESS: Well, good.</p> <p>16 MR. GREEN: No?</p> <p>17 THE WITNESS: It says I'm</p> <p>18 controlling it. Let's see.</p> <p>19 MR. GREEN: There you go. You</p> <p>20 just selected some stuff.</p> <p>21 Is it large enough for you to</p> <p>22 see it?</p> <p>23 THE WITNESS: Yes. Well, it's a</p> <p>24 little small, but I can read it.</p>	<p style="text-align: right;">Page 76</p> <p>1 discussion with Frank.</p> <p>2 Q. To support his discussions with</p> <p>3 Frank regarding what?</p> <p>4 A. Regarding the discussion of a</p> <p>5 donation to Legacy Place, to Jah Jireh Homes of</p> <p>6 America.</p> <p>7 Q. Got it. Well, how much did Jah</p> <p>8 Jireh Homes of America need?</p> <p>9 A. Well, we projected at that</p> <p>10 point, it would be a six -- six-and-a-half</p> <p>11 million dollar project. We knew that between</p> <p>12 my uncle and aunt and our donation, we would</p> <p>13 probably have -- let's see -- about a million</p> <p>14 and a half -- a million, a million and a half</p> <p>15 dollars. And we felt that we probably needed</p> <p>16 50 percent of project cost in order to finance</p> <p>17 it with no personal guarantees from anyone. So</p> <p>18 we had hoped to raise about \$3 million.</p> <p>19 Q. Actually, do you have in your</p> <p>20 mind how much Mr. Pavlis' contribution to Jah</p> <p>21 Jireh was?</p> <p>22 A. Yes, I believe he contributed</p> <p>23 three million, which is more than we expected.</p> <p>24 My uncle immediately -- and then his widow --</p>
<p style="text-align: right;">Page 75</p> <p>1 MR. GREEN: Here, I'm going to</p> <p>2 bump it up a notch.</p> <p>3 THE WITNESS: Yes, why don't you</p> <p>4 scroll it up.</p> <p>5 MR. GREEN: I'll steer.</p> <p>6 BY MR. GREEN:</p> <p>7 Q. Now, I'll scroll down a bit.</p> <p>8 This is an e-mail dated November 1, 2012,</p> <p>9 11:07 a.m. --</p> <p>10 A. Uh-hum.</p> <p>11 Q. -- from Debby Skeans to Justin</p> <p>12 Billingsley, cc: Darbin Skeans. And the</p> <p>13 subject line is, "Frank Pavlis."</p> <p>14 Here it says, "Justin, To follow</p> <p>15 up on our conversation last Friday, I am going</p> <p>16 to try to put together a bit of a notebook with</p> <p>17 pages or sections related to," and then a list</p> <p>18 of bullet points.</p> <p>19 Do you remember sending this</p> <p>20 e-mail to Justin?</p> <p>21 A. Yes, I believe so.</p> <p>22 Q. What was the purpose of sending</p> <p>23 this e-mail to Justin?</p> <p>24 A. It was to support his efforts in</p>	<p style="text-align: right;">Page 77</p> <p>1 donated about 600, and we donated between 400</p> <p>2 and 500,000.</p> <p>3 Q. Do you recall when the donation</p> <p>4 was actually made?</p> <p>5 MR. MAHONEY: Which donation,</p> <p>6 Bill?</p> <p>7 MR. GREEN: The \$3 million</p> <p>8 donation that Ms. Skeans just mentioned.</p> <p>9 A. I believe he tried to do it</p> <p>10 right at the end of the year, so that he could</p> <p>11 get the deduction for 2012. So I think it was</p> <p>12 at the end of 2012.</p> <p>13 BY MR. GREEN:</p> <p>14 Q. After Legacy Place got the</p> <p>15 donation, how soon between the donation and the</p> <p>16 project being completed did you start building?</p> <p>17 A. Oh, we were already in</p> <p>18 entitlement on this land. The -- let's see.</p> <p>19 Move-in was December of 2014. Construction</p> <p>20 took about a year and a half, a year, year and</p> <p>21 a half. So we were already in Salisbury</p> <p>22 Township getting approvals.</p> <p>23 So this project was, you know,</p> <p>24 moving ahead. But we needed to definitely know</p>

20 (Pages 74 - 77)

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<p style="text-align: right;">Page 82</p> <p>1 talking about the board of directors of</p> <p>2 Jah Jireh at different times. I'm</p> <p>3 actually going to change directions a</p> <p>4 little bit now. I'm going to want to</p> <p>5 talk about the note assignment.</p> <p>6 I'm going to throw up another</p> <p>7 document. It looks like I did it right.</p> <p>8 So this is Defendants' 5. The Bates</p> <p>9 number starts at P-000092 through</p> <p>10 P-000099.</p> <p>11 ---</p> <p>12 (Whereupon, Exhibit D-5 is</p> <p>13 marked for identification.)</p> <p>14 ---</p> <p>15 BY MR. GREEN:</p> <p>16 Q. Ms. Skeans, have you seen this</p> <p>17 document before?</p> <p>18 A. Yes.</p> <p>19 Q. Do you know what this document</p> <p>20 is?</p> <p>21 A. Yes. I believe it's the</p> <p>22 assignment of the note that was provided to me,</p> <p>23 of the Key Commercial Finance \$3 million note.</p> <p>24 Q. Did you facilitate acquiring</p>	<p style="text-align: right;">Page 84</p> <p>1 A. Transfer on death.</p> <p>2 Q. What's your understanding of the</p> <p>3 significance of a transfer on death provision?</p> <p>4 A. This did not go into the estate.</p> <p>5 It went directly to the beneficiary.</p> <p>6 Q. So this note, with the caveats</p> <p>7 that Mr. Mahoney put in before, this note is</p> <p>8 held by Watchtower now; is that right?</p> <p>9 A. Yes.</p> <p>10 MR. MAHONEY: Objection. Calls</p> <p>11 for a legal conclusion.</p> <p>12 Debby, you can answer.</p> <p>13 A. (Continuing) To my belief, yes.</p> <p>14 MR. GREEN: I'll scroll through</p> <p>15 this. This is the Assignment of Note.</p> <p>16 And then the Exhibit A is a copy of the</p> <p>17 note.</p> <p>18 I'm going to stop sharing that</p> <p>19 and we're back.</p> <p>20 BY MR. GREEN:</p> <p>21 Q. Let's talk about the board of</p> <p>22 Jah Jireh for a bit. You named in the</p> <p>23 beginning, you had Judah Schroder. George -- I</p> <p>24 think it's Stadtlander? Am I saying that</p>
<p style="text-align: right;">Page 83</p> <p>1 Mr. Pavlis' signature on this assignment?</p> <p>2 A. Yes.</p> <p>3 Q. Were you there in the room when</p> <p>4 he signed it?</p> <p>5 A. Yes.</p> <p>6 Q. And this Assignment of Note --</p> <p>7 A. That's my -- that's my</p> <p>8 recollection, yes.</p> <p>9 Pardon me?</p> <p>10 Q. What's your understanding of the</p> <p>11 purpose of the Assignment of Note?</p> <p>12 A. Because of Frank's advanced age,</p> <p>13 he was very interested in having his affairs in</p> <p>14 order, and so was Ed Lentz.</p> <p>15 So Ed Lentz, who I had made</p> <p>16 aware of the note, he had a copy of the note</p> <p>17 that I gave him after I received it from</p> <p>18 Justin, had wanted to have everything TOD'd to</p> <p>19 Watchtower.</p> <p>20 So this had not had a TOD on it.</p> <p>21 So he requested that we get it. And I believe</p> <p>22 he, in fact, Ed Lentz, was the one who worked</p> <p>23 with Justin's attorney to do so.</p> <p>24 Q. What does "TOD" stand for?</p>	<p style="text-align: right;">Page 85</p> <p>1 right?</p> <p>2 A. Yes. I know he was very</p> <p>3 involved when we were doing the initial</p> <p>4 projections. Whether he eventually made it on</p> <p>5 the board, I believe he did, but I'm not sure.</p> <p>6 I was never on the board. So my husband</p> <p>7 really, you know, I mean, knew exactly -- you</p> <p>8 know, knew the details about the board.</p> <p>9 Q. Well, who selected the board</p> <p>10 members?</p> <p>11 A. Darbin and fellow board members</p> <p>12 already on.</p> <p>13 Q. Did you have a role on the board</p> <p>14 members?</p> <p>15 A. No.</p> <p>16 MR. GREEN: Bear with me a</p> <p>17 moment.</p> <p>18 (Pause)</p> <p>19 I'm going to change directions.</p> <p>20 I'd like to talk about Frank Pavlis</p> <p>21 again.</p> <p>22 Now, produced in discovery were</p> <p>23 a lot of documents that had handwritten</p> <p>24 notes and things on them. I want to look</p>

22 (Pages 82 - 85)

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<p style="text-align: right;">Page 102</p> <p>1 with Jah Jireh?</p> <p>2 A. I do not.</p> <p>3 Q. Do you feel free to express your</p> <p>4 concerns with the board of directors of Jah</p> <p>5 Jireh?</p> <p>6 A. Yes, I feel free to express my</p> <p>7 concerns.</p> <p>8 Q. Why?</p> <p>9 A. Because my money and my</p> <p>10 husband's money and my uncle's money and dear</p> <p>11 friend's money all made it possible. My</p> <p>12 mother-in-law lived there, as did my aunt, my</p> <p>13 mother's best friend, and other very close</p> <p>14 family and friends.</p> <p>15 Q. Do you have any impact on the</p> <p>16 composition of the board?</p> <p>17 A. No.</p> <p>18 Q. Did you ever try to have an</p> <p>19 impact on the composition of the board?</p> <p>20 A. No. Well, I -- you know what?</p> <p>21 I'll qualify that, because did I have opinions?</p> <p>22 Did I express opinions? I'd have to say I did</p> <p>23 that.</p> <p>24 Q. Did there come a time when you</p>	<p style="text-align: right;">Page 104</p> <p>1 finance this project.</p> <p>2 So I often was the in-between</p> <p>3 person, with my husband, with the bank. So I</p> <p>4 did get financial reports as to the health of</p> <p>5 the operation. We didn't have enough residents</p> <p>6 during 2015 to pay our bills.</p> <p>7 Q. Understood. Is Jah Jireh set up</p> <p>8 as a non-profit organization?</p> <p>9 A. It has always been a non-profit</p> <p>10 501(3)(c) from its inception to today.</p> <p>11 MR. GREEN: I'm sorry. Bear</p> <p>12 with me. I think I might want to look at</p> <p>13 a document.</p> <p>14 BY MR. GREEN:</p> <p>15 Q. Well, tell me about these</p> <p>16 frictions in December of 2015.</p> <p>17 Was there anything in particular</p> <p>18 that was happening that was wrong?</p> <p>19 A. By the end of 2015, the -- we</p> <p>20 only had 12 residents in a facility that was</p> <p>21 built for 40. Although -- and, unfortunately,</p> <p>22 state inspections of the facility were dismal.</p> <p>23 When you only have 12 people in a facility for</p> <p>24 40 and you have a mortgage and you have staff,</p>
<p style="text-align: right;">Page 103</p> <p>1 had a falling out with the board?</p> <p>2 A. There were individual members on</p> <p>3 the board that I think -- that I felt were</p> <p>4 acting inappropriately.</p> <p>5 Q. When was that?</p> <p>6 A. Mostly beginning in December of</p> <p>7 2015.</p> <p>8 Q. What was happening that you</p> <p>9 thought was inappropriate?</p> <p>10 A. During 2015, which is the first</p> <p>11 year of this startup, we were having</p> <p>12 management -- I say "we," the organization was</p> <p>13 having managerial difficulties. And</p> <p>14 administratively, it was struggling.</p> <p>15 Financially, it was struggling. And by the</p> <p>16 fourth quarter of 2015, I made my concerns on</p> <p>17 its financial health known to the board.</p> <p>18 Q. How did you know it was</p> <p>19 struggling financially?</p> <p>20 A. Because I did assist the board.</p> <p>21 That's why I said I created reports for them.</p> <p>22 I had been involved in the original financial</p> <p>23 modeling of the operation. We had arranged</p> <p>24 with a bank that knew Dar -- knew us well to</p>	<p style="text-align: right;">Page 105</p> <p>1 you have tremendous shortfalls each month.</p> <p>2 And Darbin was dealing with the</p> <p>3 board on these issues during 2015. I was</p> <p>4 peripherally aware of the financial impact of</p> <p>5 these things. I was not privy to the board</p> <p>6 discussions.</p> <p>7 But in early December, at a</p> <p>8 board meeting, I learned that my husband had</p> <p>9 decided to step back from being the president</p> <p>10 of the board. He would stay on the board, but</p> <p>11 he would relinquish his presidency to Rob Wood.</p> <p>12 And I was viciously attacked by</p> <p>13 Kathy McCollette at a meeting and told that I</p> <p>14 was too critical of management and staff.</p> <p>15 Q. Who is Kathy McCollette?</p> <p>16 A. She was an employee of a company</p> <p>17 that was hired in order to help train staff.</p> <p>18 She then morphed into a volunteer capacity.</p> <p>19 And by December of 2015, she was working with</p> <p>20 Mr. Wyllie in administrative tasks at Legacy</p> <p>21 Place as a volunteer. She also was the backup</p> <p>22 POA for Mr. Pavlis. I did not know that at</p> <p>23 that point.</p> <p>24 Q. And I think I heard you say that</p>

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<p style="text-align: right;">Page 106</p> <p>1 she had viciously attacked you at a board 2 meeting. 3 What did she say? 4 A. Not at a board meeting. I was 5 not in board meetings. 6 Q. I'm sorry. 7 A. At a weekend -- usually, because 8 most of the board members were from 9 out-of-town, they would hold the board meeting 10 on a weekend. And during that weekend, 11 there -- the fellow who created Jah Jireh 12 Charity Homes in England was actually visiting, 13 Mr. Eddie Delaney. 14 And he was more aware of what 15 happened with the board, Darbin -- this -- this 16 sudden decision for Darbin to step down. And 17 it was suggested that there be a small meeting 18 to address concerns of the board. 19 And Mr. Delaney, Insoo Cho, 20 David Wyllie, Micah Killgore, Kathy McCollette 21 and my husband were at that meeting. And I 22 don't recall if there was anybody else. That's 23 about it. 24 And at that meeting, for the</p>	<p style="text-align: right;">Page 108</p> <p>1 BY MR. GREEN: 2 Q. Let me unpack it. We'll start 3 from the beginning. 4 What were your criticisms, if 5 you had any, of the way they did their job? 6 A. I was power of attorney for my 7 Aunt Margaret, Margaret Banko. My husband was 8 power of attorney for his own mother, and I 9 dealt with my mother-in-law. I also had power 10 of attorney for Raymond Brensinger, who was my 11 mother's dearest friend. 12 Because of those relationships, 13 I did have to interact with staff. Many times, 14 things were done incorrectly. This was a 15 startup. Our staff was learning. Our 16 administrator was learning. It was his first 17 job in health care. 18 Q. Who was your administrator? 19 A. Micah Killgore. And as a 20 result, we had issues between family and people 21 of responsibility with regard to residents. We 22 also had problems with the state. 23 So as a result of my interaction 24 with the caregivers, dealing with people I was</p>
<p style="text-align: right;">Page 107</p> <p>1 first time, Kathy McCollette told me that 2 caregivers at the home were upset with my 3 criticism and my behavior. And she kind of 4 went on a ten-minute tirade. 5 I sat there stunned. I asked 6 her why she had never mentioned it before. She 7 said she didn't need to. 8 Mr. Wyllie didn't say anything. 9 Mr. Killgore didn't say anything. And that was 10 about the end of the meeting. 11 Q. Do you recall what your 12 criticisms were? 13 A. I was not told anything. She 14 represented that I was critical of their -- the 15 way they did their job. 16 Q. Well, how would they know that 17 you were critical of the way they did their 18 job? 19 MR. MAHONEY: Objection. It 20 calls for speculation. 21 You can ask her if she has some 22 understanding as to that, but she's not 23 in their heads. 24 MR. GREEN: Fair enough.</p>	<p style="text-align: right;">Page 109</p> <p>1 responsible for, that was my understanding of 2 what she was complaining about. But it was a 3 shock to me. 4 Q. Did there come a time when the 5 board, the personnel on the board, changed? 6 A. The board has -- the board 7 changed throughout the years. From startup to 8 here till now, there have been various changes. 9 Q. Well, understood. 10 Say in May of 2016, did you 11 voice frustration about Legacy Place with 12 Justin Billingsley? 13 A. Yes. 14 Q. What was Justin's reaction? 15 A. He agreed with me. He -- he -- 16 I spoke to him as a confidante who knew what we 17 had gone through to create this place of 18 security for these older ones. And I was 19 appalled at the conduct of David Wyllie. And I 20 was frustrated with the board not taking action 21 to heal the financial drain on the limited 22 resources of the operation. 23 Q. Why were you appalled with the 24 conduct of David Wyllie?</p>

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<p style="text-align: right;">Page 110</p> <p>1 A. Because it was brought to my 2 attention by Ed Lentz on March 31st, I believe 3 it was, that there had been two attempts to 4 move Frank's entire trust from Glenmede to 5 Fidelity under -- that David Wyllie was 6 involved in that. That Glenmede had just hired 7 special counsel to fight the transfer. And 8 that immediately he needed to be removed as POA 9 and that Frank needed a new POA. 10 And they asked if I would do 11 that. And Frank and Ed Lentz asked if I would 12 serve as POA, because David was going to be 13 removed that day from those responsibilities 14 because of his conduct toward Frank. 15 Q. At this time, was David Wyllie 16 also a board member -- 17 A. Yes. 18 Q. -- of Jah Jireh? 19 How was his conduct as a board 20 member? 21 A. I don't know. I wasn't on the 22 board. 23 Q. Understood. 24 Did you come to have an</p>	<p style="text-align: right;">Page 112</p> <p>1 would consider Jah Jireh business once or twice 2 a year were being informed by a very limited 3 number of people that were on site. 4 MR. GREEN: Understood. 5 I want to look at a document 6 real quick. On my count, I'm up to D-9. 7 This is Bates stamped KCF003845. It's a 8 one-page e-mail with an attachment -- 9 there are actually two attachments -- 10 dated Thursday, July 14, 2016 from Debby 11 Skeans to Justin Billingsley's e-mail 12 address. 13 - - - 14 (Whereupon, Exhibit D-9 is 15 marked for identification.) 16 - - - 17 BY MR. GREEN: 18 Q. Now, if you would, take a look 19 at this e-mail and tell me if you recognize it. 20 A. It appears to be an e-mail from 21 me to Justin. 22 Q. Do you remember what was going 23 on around this time? 24 A. Yes. Around July of 2016, this</p>
<p style="text-align: right;">Page 111</p> <p>1 understanding of his conduct on the board? 2 A. I don't know what you mean. 3 Q. Sure. Well, it's fairly 4 close-knit. There aren't that many players 5 here. There aren't that many layers between 6 you and the board members or you and the staff. 7 Did you have an understanding of 8 the dynamic in the board? 9 MR. MAHONEY: Yes, I'm going to 10 object to the prelude to that question. 11 But you can answer the question 12 itself, Deb. 13 A. There -- there was a lot of 14 distance between me and many individual board 15 members, because they were not geographically 16 present. 17 So we had board members who were 18 from out-of-town. They didn't see what was 19 going on at Legacy Place. They got reports 20 from Micah Killgore, from David Wyllie and 21 Micah Killgore and from Greg Grove, who was the 22 board member primarily invested with financial 23 responsibility. 24 So these board members that</p>	<p style="text-align: right;">Page 113</p> <p>1 was right when the board had come to a decision 2 that it would be best for there to be two Jah 3 Jireh organizations. This is when Jah Jireh 4 Homes of America became the -- they retained 5 the name Jah Jireh Homes of America and moved 6 it to Atlanta. And Jah Jireh Homes of 7 America - Allentown, which is how we were 8 titled by deed on the real estate, came to be 9 non-profit for Allentown. 10 And the board had decided for 11 Allentown to be under the control of its own 12 board, and they would have their own board in 13 Georgia. 14 Q. Now, this e-mail says, "Justin, 15 Grove's response has provoked Les, who has 16 responded to him and the LP attorney. I also 17 send you an initial summary of the reasons for 18 Greg's removal as Treasurer. I think it has to 19 be to come to closure. The bank needs to be 20 spoken to and it's only so long this kind of 21 stuff stays quiet . . . a scandal could occur. 22 I have a meeting with Glenmede tomorrow." 23 What's the scandal that could 24 occur?</p>

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<p style="text-align: right;">Page 114</p> <p>1 A. I was very concerned that what 2 Mr. Wyllie had done would become known in the 3 Allentown area and that it would look as though 4 that somebody at Legacy Place was attempting to 5 defraud him.</p> <p>6 MR. GREEN: I want to include 7 the attachments with this as one part of 8 this exhibit.</p> <p>9 MR. MAHONEY: The e-mail and the 10 attachments, Bill, will all be D-9?</p> <p>11 MR. GREEN: Yes, please. I just 12 need to find them and bring them up.</p> <p>13 BY MR. GREEN:</p> <p>14 Q. I hope you see the first 15 attachment. It's starts at KCF003846. And 16 that's still part of D-9. Let me make it a 17 little bit larger. The first line is, "Reasons 18 for Removal of Greg Grove from the position of 19 Treasurer."</p> <p>20 Do you remember writing this 21 document, Ms. Skeans?</p> <p>22 A. I remember writing it.</p> <p>23 Q. Are you familiar with its 24 content?</p>	<p style="text-align: right;">Page 116</p> <p>1 And my husband was restored to 2 presidency of the Allentown board. Several 3 members were removed. One had -- one or two of 4 them had, you know, withdrawn. One or two 5 might have been removed. And I believe one and 6 then another board member was added to 7 Allentown. So it was resolved by a separation 8 of the two organizations.</p> <p>9 Q. Understood. Now, I hope I'm 10 sharing the second attachment, which is at 11 KCF003849.</p> <p>12 Have you seen this document 13 before?</p> <p>14 A. It was not addressed to me. But 15 I was aware of -- of the e-mail or its general 16 content.</p> <p>17 Q. Why don't you tell me, what's 18 going on here in this letter?</p> <p>19 A. Because there was a separation 20 of the two non-profit organizations, the 21 original domain, JJHA.org, the Atlanta group 22 wanted to keep that.</p> <p>23 So it was acceptable to Darbin 24 and the remaining board members that they have</p>
<p style="text-align: right;">Page 115</p> <p>1 A. It's been a long time since I 2 wrote it and it was never sent.</p> <p>3 Q. You sent to it Mr. Billingsley?</p> <p>4 A. I sent the draft to 5 Mr. Billingsley. And I sent the draft to 6 Joseph Plunkett, who was the Legacy Place 7 attorney. Those are the only two people that I 8 believe got that draft. It was not sent to the 9 board.</p> <p>10 Q. Understood.</p> <p>11 Do you know if any action was 12 taken with respect to the spirit of this 13 document?</p> <p>14 A. I don't believe anything was 15 taken. This was an opinion that I had, and I 16 don't believe it was ever voiced. I know it 17 was not voiced to the board by me. I chose not 18 to send it.</p> <p>19 Q. Did any of the problems 20 mentioned in that e-mail get fixed?</p> <p>21 A. They got fixed by the separation 22 of the two non-profits. Greg Grove left the 23 Legacy Place board in Allentown. He became 24 part of the Legacy Place Atlanta identity.</p>	<p style="text-align: right;">Page 117</p> <p>1 the JJHA identity. And Darbin and the 2 Allentown board decided they would go by 3 LegacyPlace.org, so that there would be 4 identification of the two.</p> <p>5 They would still coexist. And, 6 in fact, there was going to be a joint web 7 page, because it was impossible for the 8 Allentown group to transfer the domain, 9 JJHA.org, to the Atlanta group because of HIPAA 10 concerns. All of the e-mails were JJHA.org. 11 So we could not hand off or they could not hand 12 off the domain.</p> <p>13 And there was about two months 14 of -- it got, I think -- I couldn't understand 15 why it was contentious. But there was two 16 months where Mr. Grove insisted that they get 17 the domain. Les is Darbin's brother. And he 18 had originally secured all the domains. That's 19 why he was involved.</p> <p>20 And Les said, we can't give you 21 those -- that one domain that has all of the 22 operational details. We can give you the other 23 domains that have JJHA in them, like -- he had 24 like 20 other variations on the name, and they</p>

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<p style="text-align: right;">Page 118</p> <p>1 could have those.</p> <p>2 But JJHA.org, which is how we</p> <p>3 were becoming known online, had to become --</p> <p>4 had to just go neutral. It had to go neutral.</p> <p>5 So there was a landing page</p> <p>6 website where if somebody typed in JJHA.org,</p> <p>7 they could choose to go to Atlanta -- well,</p> <p>8 actually, if they stayed on it, they would go</p> <p>9 there, or they had so many seconds to click and</p> <p>10 come back to Allentown.</p> <p>11 So this was a period of time,</p> <p>12 about two months, after it was already</p> <p>13 determined that there would be an Allentown</p> <p>14 board again, people who really saw what was</p> <p>15 going on in Allentown, instead of being misled</p> <p>16 by people who had been running it.</p> <p>17 And I believe Greg Grove was</p> <p>18 very misled by some things that were said. And</p> <p>19 so he believed that -- he was very critical of</p> <p>20 Darbin at this point in time.</p> <p>21 Q. Who do you think misled Greg</p> <p>22 Grove?</p> <p>23 A. Excuse me?</p> <p>24 Q. It sounded like you had said</p>	<p style="text-align: right;">Page 120</p> <p>1 resulted in my husband choosing to step down</p> <p>2 from presidency and let things sort out.</p> <p>3 Q. At that time, you had mentioned</p> <p>4 you were power of attorney for at least one</p> <p>5 Legacy Place resident.</p> <p>6 Am I getting that right?</p> <p>7 A. I was power of attorney for two,</p> <p>8 Raymond Brensinger and Margaret Banko.</p> <p>9 Q. Did that request that you not</p> <p>10 come to Legacy Place complicate your ability to</p> <p>11 act as power of attorney over those residents?</p> <p>12 A. Yes, and to visit my</p> <p>13 mother-in-law and Mr. Pavlis.</p> <p>14 Q. That request that you not go to</p> <p>15 Legacy Place, was that enforced?</p> <p>16 A. It was not something -- it</p> <p>17 was -- it was strongly recommended by that --</p> <p>18 by Kathy. I tried to accede to her request for</p> <p>19 about a month, just to let things cool down. I</p> <p>20 didn't know what was going on. And then my</p> <p>21 mother-in-law began to get frantic because she</p> <p>22 wasn't seeing me.</p> <p>23 So I went over and broke down</p> <p>24 crying with her. And two caregivers were</p>
<p style="text-align: right;">Page 119</p> <p>1 that Greg Grove had been misled.</p> <p>2 A. I think -- I think a lot of the</p> <p>3 representations made by Mr. Wyllie, by Kathy</p> <p>4 McCollette and even the administrator, Micah</p> <p>5 Killgore, did mislead Greg Grove.</p> <p>6 Q. What do you think they said to</p> <p>7 mislead Greg Grove?</p> <p>8 A. Their criticism of our behavior.</p> <p>9 Q. Do you have an understanding of</p> <p>10 what their criticism of your behavior was?</p> <p>11 A. I never was provided with more</p> <p>12 information other than ten minutes of diatribe</p> <p>13 that I had from Kathy McCollette, which I found</p> <p>14 out was, except for one or two people, totally</p> <p>15 in error.</p> <p>16 Q. Were you present for the Kathy</p> <p>17 McCollette diatribe?</p> <p>18 A. Yes. I told you that was at the</p> <p>19 small meeting that was held in December of</p> <p>20 2015, where I sat there and she told the board</p> <p>21 members and Mr. Delaney about these concerns,</p> <p>22 which she had never voiced to me.</p> <p>23 And that resulted in me being</p> <p>24 asked not to come to Legacy Place. And it</p>	<p style="text-align: right;">Page 121</p> <p>1 there. And they said, why are you crying?</p> <p>2 Your mother-in-law is okay.</p> <p>3 And I said, no, I'm crying</p> <p>4 because obviously I have upset you.</p> <p>5 And the two caregivers assured</p> <p>6 me that that was not the case.</p> <p>7 And then I asked them, well, how</p> <p>8 does staff feel about me? And except for one</p> <p>9 that I was aware of in dealings with my</p> <p>10 mother-in-law, who she was difficult and she --</p> <p>11 I could understand that she was not happy with</p> <p>12 me.</p> <p>13 Other than that, they reassured</p> <p>14 me and said, no, they loved me and that -- that</p> <p>15 they didn't know where those -- why I felt as I</p> <p>16 did.</p> <p>17 At that point, I went back and I</p> <p>18 wrote a letter to two board members saying, I</p> <p>19 don't understand what's going on.</p> <p>20 MR. GREEN: Thank you for that.</p> <p>21 I want to look at another document. This</p> <p>22 will be Defense 10. And we're still in</p> <p>23 the same vein here. This is an e-mail</p> <p>24 with the Bates stamp KCF003872.</p>

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<p style="text-align: right;">Page 122</p> <p>1 - - -</p> <p>2 (Whereupon, Exhibit D-10 is</p> <p>3 marked for identification.)</p> <p>4 - - -</p> <p>5 MR. GREEN: The bottom e-mail</p> <p>6 is -- oh, I can make that bigger.</p> <p>7 THE WITNESS: I can see it.</p> <p>8 MR. GREEN: Okay.</p> <p>9 MR. MAHONEY: I can't. So if</p> <p>10 you don't mind, Bill.</p> <p>11 MR. GREEN: Of course.</p> <p>12 MR. MAHONEY: Thank you.</p> <p>13 MR. GREEN: Is that enough or I</p> <p>14 can go another --</p> <p>15 MR. MAHONEY: No, that's fine.</p> <p>16 Thank you.</p> <p>17 BY MR. GREEN:</p> <p>18 Q. The bottom e-mail is dated</p> <p>19 July 14, 2016, and it's an e-mail to David</p> <p>20 Wilson. Now, subject line is, "Confidential."</p> <p>21 Who is David Wilson?</p> <p>22 A. David Wilson was an advisor to</p> <p>23 the board. And he was located at Watchtower.</p> <p>24 But it was not in his Watchtower role that made</p>	<p style="text-align: right;">Page 124</p> <p>1 Board because Rob and Larry and Greg (the</p> <p>2 executive committee) did not. Financially, we</p> <p>3 are almost out of money and ready to close.</p> <p>4 The donors have expressed that they will not</p> <p>5 give more money if the current Board stays in</p> <p>6 place. That challenges their very homes. I am</p> <p>7 so disillusioned with so many, David. Let's</p> <p>8 talk."</p> <p>9 Q. Do you believe that David Wyllie</p> <p>10 attempted to defraud Frank Pavlis?</p> <p>11 A. Yes, I believe that he -- in</p> <p>12 absolute opposition to the power of attorney</p> <p>13 power that he held, which instructed him he had</p> <p>14 nothing to do with the trust -- that he</p> <p>15 attempted to move that trust without Ed Lentz's</p> <p>16 or Glenmede's knowledge.</p> <p>17 And I consider -- I don't know</p> <p>18 what motives he had beyond that. But that was</p> <p>19 absolutely not appropriate for a power of</p> <p>20 attorney to do.</p> <p>21 Q. That sentence goes on that</p> <p>22 "Darbin had to report it to the Board because</p> <p>23 Rob and Larry and Greg did not."</p> <p>24 Is it the case that David</p>
<p style="text-align: right;">Page 123</p> <p>1 him an advisor to the board. He had been a</p> <p>2 friend of the family for a long time. And he</p> <p>3 was involved in all the early discussions on</p> <p>4 the formation of Legacy Place.</p> <p>5 Because, however, he was at</p> <p>6 Watchtower and was a full-time volunteer, he</p> <p>7 chose not to become a board member. But he</p> <p>8 still attended all of the board -- board</p> <p>9 functions -- not the meetings, but the</p> <p>10 functions -- and so he was a confidante of</p> <p>11 Darbin and me concerning Legacy Place.</p> <p>12 Q. Could you read this e-mail to</p> <p>13 me?</p> <p>14 A. Yes. "Much has transpired</p> <p>15 within JJHA/Legacy Place that you have been</p> <p>16 protected from. No changes to the Board have</p> <p>17 occurred despite agreement to do so early in</p> <p>18 June. Here is a summary of the reasons why</p> <p>19 three donor families (Pavlis, Banko and Skeans)</p> <p>20 demand that the Board change (and Darbin regain</p> <p>21 control) . . . in addition to the months of</p> <p>22 slander that Darbin and I have endured. Wyllie</p> <p>23 attempted to defraud Frank Pavlis . . . it is</p> <p>24 documented and Darbin had to report it to the</p>	<p style="text-align: right;">Page 125</p> <p>1 Wyllie -- or let me rephrase that.</p> <p>2 Do you think that Rob and Larry</p> <p>3 and Greg knew what David Wyllie was doing?</p> <p>4 A. This -- this e-mail is from</p> <p>5 July 14th of 2016. As soon as we found out</p> <p>6 what Wyllie was attempting to do, my husband</p> <p>7 called Rob, who was the president of the board,</p> <p>8 and I believe also Larry Andrews, who at that</p> <p>9 time might have been vice president, and he</p> <p>10 told them what we had just gone through with</p> <p>11 Frank at Attorney Lentz's office and what we</p> <p>12 had learned.</p> <p>13 In addition to the attempt to</p> <p>14 transfer, Ed Lentz had also told us that day</p> <p>15 that another very strange-looking power of</p> <p>16 attorney that did not have the limitations to</p> <p>17 touch the trust had also surfaced. And Frank</p> <p>18 had no idea where it came from. Frank was not</p> <p>19 in agreement with those transfers. He didn't</p> <p>20 recall them. And so we told them all that.</p> <p>21 Darbin did not have a place on</p> <p>22 the executive committee at that point. We</p> <p>23 became aware, or Darbin became aware, actually,</p> <p>24 I should say, that the entire board was not</p>

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<p style="text-align: right;">Page 126</p> <p>1 informed of what Mr. Wyllie did. 2 Mr. Wyllie, when he was 3 contacted that his power of attorney was 4 removed, never returned to Legacy Place. Never 5 met with me. Never met with my husband. I 6 don't believe he ever met -- no, he never met 7 with Ed Lentz. And he resigned from the board. 8 Q. Have you spoken to him since? 9 A. I only spoke to him one time. I 10 happened to cross him in a parking lot as a 11 restaurant maybe six, nine months -- no, I 12 don't know. Quite a long time afterward. I 13 re -- I tried to get in touch with him, because 14 it was hard to step into the role of POA 15 without any transfer of information. And also, 16 we were very hurt by his conduct at Legacy 17 Place. 18 And I asked him -- I walked up 19 to his car, I saw him in the car, and I walked 20 up to his car, and I said, David, please call 21 Darbin and arrange a meeting. This needs to be 22 talked through. 23 And he said he'd think about it. 24 But he never did.</p>	<p style="text-align: right;">Page 128</p> <p>1 D-10. And starts at Bates number 3874 and it 2 goes to 3876. I'm going to enlarge it so it's 3 legible. 4 A. Yes, that's easier. 5 Q. I realize this is a long time 6 ago. 7 Do you remember writing this 8 document? 9 A. Yes. 10 Q. Why were you sharing this with 11 Justin? 12 A. Because he was my confidante at 13 that point. He was a dear friend. And I 14 thought he shared with me the shock at what 15 Mr. Wyllie had attempted to do. 16 He had been a confidante on some 17 of the problems we were going through in order 18 to try to get Legacy Place back on a fiscally 19 sound basis and to try to get the board to 20 understand what was going on in Allentown, 21 while, you know, they were in other places. 22 And so during that struggle -- 23 and I was also aware that he had worked with 24 David Wyllie during 2015, when David was power</p>
<p style="text-align: right;">Page 127</p> <p>1 Q. I think we may have covered this 2 earlier. But did you know David Wyllie before 3 he was on the board of Jah Jireh? 4 A. Not really. I mean, I knew the 5 name. I had met him very peripherally, maybe 6 in the early years of our marriage, but I did 7 not really know him. 8 Q. All right. I scrolled up to the 9 top of the document. And it looks like you 10 forwarded this e-mail to Justin. 11 MR. KITTILA: Bill, did you mark 12 this e-mail? 13 MR. GREEN: Yes. This is 14 Defense 10, isn't it? 15 THE COURT REPORTER: Yes. This 16 is 3872? 17 MR. GREEN: Yes, 3872. 18 THE COURT REPORTER: Yes. 19 MR. KITTILA: Thank you. 20 BY MR. GREEN: 21 Q. Now, this document also has an 22 attachment, and it's the change needed summary, 23 which I'm going to put up. I think you see now 24 what's the attachment, which will be part of</p>	<p style="text-align: right;">Page 129</p> <p>1 of attorney. 2 So I believed that he might have 3 some knowledge of -- of David's conduct, which 4 he denied. And that as I was trying to work 5 through with Darbin how to transition Legacy 6 Place back to a local board that could stay 7 more involved with what was happening there, so 8 that it could pass state inspections, it could 9 go beyond 12 residents, and it could become 10 financially solvent to maintain its mortgage, 11 he would understand those issues. And so I was 12 sharing them with him. 13 Q. I'm going to scroll through the 14 document a little bit to see if there's 15 anything I want to ask about. 16 On the top of Page 2 here, it 17 says, "Coercion by one member of the Executive 18 Committee of Board president to 'step down' 19 from authority on December 2015 for the purpose 20 of gaining control, without Board knowledge and 21 with instruction that President not inform the 22 Board of the discussion." 23 What was this? Do you know what 24 you meant by that?</p>

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<p style="text-align: right;">Page 138</p> <p>1 says, "The goal is to accept residents by 2 mid-2014." 3 Was Legacy Place able to accept 4 residents by mid-2014? 5 A. No, we weren't ready. And 6 approved, inspected and opened our doors early 7 in December 2014. 8 Q. Understood. 9 Now, when you say you met Gary 10 Miller, what was the purpose of you meeting 11 Gary Miller, if it wasn't for Jah Jireh? 12 A. Well, we had hoped he would come 13 to Jah Jireh, learn about it, want to support 14 it, share the information, because he was in a 15 congregation that could have had old people 16 that needed a place like Jah Jireh, too. So 17 the information was not only for donating, it 18 was also for residency. 19 But the reason Justin wanted us 20 to meet Gary Miller was because he said he was 21 in the real estate business and that he might 22 be somebody we might want to do some business 23 with. So Justin arranged the meeting. 24 MR. GREEN: I'm sorry, bear with</p>	<p style="text-align: right;">Page 140</p> <p>1 Q. Do you remember sending this 2 e-mail? 3 A. Yes. 4 Q. What did you have in mind? 5 A. The Circle of Seasons note. 6 Q. Oh, this is related to the 7 Circle of Seasons note? 8 A. Absolutely. It was the two 9 years. If you see, it was the two years until 10 they were going to be able to buy it. They 11 were in the lease-purchase. This was going to 12 be a loan, you know, for a school in a piece of 13 real estate. 14 Unfortunately, we couldn't give 15 him, you know, a security interest in the land, 16 because all they had was a leasehold. But, you 17 know, they had a leasehold. It was a favorable 18 leasehold, because Penn State had made the rent 19 very, very low, so that they could get three 20 years of, you know, operation in, in order to 21 finance. So everybody was working together. 22 But, yes, this is absolutely the 23 Circle of Seasons idea. 24 Q. Thank you. Let's see, I've got</p>
<p style="text-align: right;">Page 139</p> <p>1 me a moment. 2 I'm jumping around a little bit. 3 I've got a different document on the 4 screen now, which should be Defense 12, 5 and it is Bates P-000843. It's an e-mail 6 from Debby Skeans, dated June 8, 2014 to 7 Justin Billingsley, "Subject: Frank." 8 - - - 9 (Whereupon, Exhibit D-12 is 10 marked for identification.) 11 - - - 12 BY MR. GREEN: 13 Q. If you would, Ms. Skeans, could 14 you read the e-mail for me? 15 A. Sure. "I have an idea for a 16 real estate-based investment for Frank. It is 17 something we are doing already and I need 18 someone to bounce the idea off of and if Frank 19 is deemed appropriate to approach, your 20 involvement. I want to be sure it makes sense. 21 It can mean 15 percent per year for two years 22 and accomplish quite a bit of good in an area 23 that he is interested in. Let's talk tonight 24 or tomorrow, if you can. Thanks."</p>	<p style="text-align: right;">Page 141</p> <p>1 another question. I'm changing directions a 2 bit again. 3 A. Okay. 4 Q. We talked earlier about the 5 \$3 million Key Commercial Finance note. There 6 was also a \$4 million Key Commercial Finance 7 note, with the caveats from Mr. Mahoney 8 regarding the validity of those instruments. 9 Under Mr. Pavlis' escape plan, 10 who is the beneficiary of the \$4 million note? 11 MR. MAHONEY: Objection. Calls 12 for a legal conclusion. 13 But, Deb, you can answer to the 14 extent you can. 15 A. It's very easy. Watchtower is 16 the beneficiary of everything, including the 17 note. 18 BY MR. GREEN: 19 Q. Is Watchtower the holder of the 20 \$4 million note now? 21 A. No. It's in the estate. But 22 they are the beneficiary under the Will of 23 everything. 24 Q. Why is it still in the estate?</p>

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<p style="text-align: right;">Page 142</p> <p>1 A. Because the estate is still 2 open. 3 Q. What else has to happen before 4 the estate can close? 5 MR. MAHONEY: Objection. Calls 6 for a legal conclusion. 7 A. I don't believe we have final, 8 you know, IRS, all of the paperwork needed by 9 Mr. Lentz to -- to close the estate. I don't 10 think he has everything that he needs. 11 BY MR. GREEN: 12 Q. Are you aware of anything 13 holding up the transfer or the distribution of 14 the \$4 million note to Watchtower? 15 MR. MAHONEY: Objection. Calls 16 for a legal conclusion. 17 But you can answer, Deb. 18 A. As far as I know, that will be 19 automatic when the estate is closed. But it's 20 not closed. And, you know, Glenmede and 21 Ed Lentz know why it's not closed. 22 BY MR. GREEN: 23 Q. Did Glenmede tell you why it's 24 not closed?</p>	<p style="text-align: right;">Page 144</p> <p>1 it's still in effect? 2 A. I have an understanding it's 3 still in effect. 4 Q. Do you have an understanding of 5 who holds at present the \$4 million note? 6 MR. MAHONEY: Objection. 7 Instruct her not to answer to the extent 8 it calls for any attorney-client 9 privileged communications. 10 To the extent you can answer 11 without divulging any communications with 12 counsel, Debby, you can answer. 13 A. I believe the note is in the 14 estate. I've said that several times. 15 BY MR. GREEN: 16 Q. Now, on Monday, Justin 17 Billingsley was deposed, testified at a 18 deposition here. During the day, we had a 19 conference call with the court. 20 Are you aware that Justin 21 Billingsley is willing to try to mediate this 22 case? 23 MR. MAHONEY: I'm going to 24 instruct her not to answer.</p>
<p style="text-align: right;">Page 143</p> <p>1 A. No, I'm not privy to that part. 2 I mean, I'm not a trust -- I'm not a trust 3 expert. And I'm not an expert in -- in closing 4 estates. So they advise me when they can close 5 the estate. They had to have attorney general 6 approval. I know that. It goes through the 7 AG's office. I see that in the e-mails. 8 Q. Does Glenmede Trust own the 9 note? 10 MR. MAHONEY: Objection. Calls 11 for a legal conclusion. 12 A. No. Glenmede is not on the 13 note. This note is in the estate. 14 BY MR. GREEN: 15 Q. Okay. 16 A. But the trust, they were a 17 trustee of the trust. 18 Q. Is Mr. Pavlis' revokable trust 19 from December 2002, is that still in effect? 20 MR. MAHONEY: Objection. Calls 21 for a legal conclusion. 22 A. Yes. 23 BY MR. GREEN: 24 Q. Do you have an understanding if</p>	<p style="text-align: right;">Page 145</p> <p>1 A. I don't know what 2 Mr. Billingsley -- 3 MR. MAHONEY: Deb, let me 4 finish, please. 5 I'll instruct her not to answer 6 to the extent, Bill, it would reveal any 7 communications between Ms. Skeans and 8 counsel. 9 If she can answer it without 10 divulging those communications, then feel 11 free, Deb. 12 A. (Continuing) I heard nothing on 13 Monday that indicated that Justin's at a point 14 of mediation. 15 BY MR. GREEN: 16 Q. Well, I can represent that 17 Mr. Billingsley and Mr. Billingsley's counsel 18 told the court that Mr. Billingsley is willing 19 to submit this to mediation in the courts. 20 Is this the first time you're 21 hearing that? 22 MR. MAHONEY: Objection. Same 23 instruction, Deb. Same objection. 24 THE WITNESS: I'm not going to</p>

37 (Pages 142 - 145)

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<p style="text-align: right;">Page 146</p> <p>1 say what Attorney Billing -- Attorney</p> <p>2 Mahoney and I talked about.</p> <p>3 BY MR. GREEN:</p> <p>4 Q. All right. Fair enough.</p> <p>5 Sitting here, without divulging</p> <p>6 attorney-client privileged communications, do</p> <p>7 you have any reaction to hearing that Justin is</p> <p>8 willing to mediate?</p> <p>9 A. My reaction is, I don't believe</p> <p>10 we've been told all the truth yet.</p> <p>11 Q. What haven't you heard the truth</p> <p>12 about?</p> <p>13 A. The financial matters of Key</p> <p>14 Commercial and the many other entities that he</p> <p>15 created.</p> <p>16 Q. Is there anything in particular</p> <p>17 you're looking for?</p> <p>18 MR. MAHONEY: I'll object to</p> <p>19 relevance of this.</p> <p>20 But, Debby, if you have --</p> <p>21 A. I'm trying --</p> <p>22 MR. MAHONEY: -- something to</p> <p>23 answer, feel free to give it.</p> <p>24 A. (Continuing) We have spent over</p>	<p style="text-align: right;">Page 148</p> <p>1 been given a complete listing of properties</p> <p>2 that were flipped, despite the fact they say</p> <p>3 the majority of the business was flipping.</p> <p>4 There's never been a</p> <p>5 comprehensive list of how these monies were</p> <p>6 used, what monies were earned, where it went</p> <p>7 and what is left.</p> <p>8 MR. GREEN: Understood. I think</p> <p>9 I'm going to take a short break. And I</p> <p>10 want to see what else I have on my</p> <p>11 checklist.</p> <p>12 MR. MAHONEY: Okay, that's fine.</p> <p>13 MR. GREEN: If we can take five,</p> <p>14 I'd appreciate it.</p> <p>15 MR. MAHONEY: Sure.</p> <p>16 MR. GREEN: So 1:14.</p> <p>17 ---</p> <p>18 (Whereupon, a recess was taken</p> <p>19 from 1:14 p.m. to 1:20 p.m.)</p> <p>20 ---</p> <p>21 MR. GREEN: All right. I'm</p> <p>22 going to throw up another document, D-13.</p> <p>23 I'm going to scroll to the bottom so I</p> <p>24 get the actual Bates number, P-002617,</p>
<p style="text-align: right;">Page 147</p> <p>1 four years trying to find out from</p> <p>2 Mr. Billingsley exactly how much money was</p> <p>3 invested and earned on that investment. We</p> <p>4 spent over four years trying to find out where</p> <p>5 it went.</p> <p>6 I am not satisfied, listening to</p> <p>7 the depositions to this point, that we have</p> <p>8 been told the entirety of where it went, what</p> <p>9 it earned while it was invested, and whether</p> <p>10 they're not -- and whether there is recovery</p> <p>11 possible.</p> <p>12 BY MR. GREEN:</p> <p>13 Q. When you say "recovery</p> <p>14 possible," what do you mean?</p> <p>15 A. I don't think we've been told</p> <p>16 sufficient information to know whether or not</p> <p>17 there are any assets to any of the companies</p> <p>18 that seem to make up Key Commercial Finance or</p> <p>19 the repositories of wherever monies went in</p> <p>20 this whole elaborate period -- you know,</p> <p>21 elaborate scheme or period of time.</p> <p>22 I mean, money went to some</p> <p>23 companies, went to other companies. There's</p> <p>24 money earned on companies. There's never even</p>	<p style="text-align: right;">Page 149</p> <p>1 and it has an attachment, which will also</p> <p>2 be part of D-13. It's dated March 27,</p> <p>3 2018, from Debby Skeans to Roberta</p> <p>4 Valerio.</p> <p>5 ---</p> <p>6 (Whereupon, Exhibit D-13 is</p> <p>7 marked for identification.)</p> <p>8 ---</p> <p>9 BY MR. GREEN:</p> <p>10 Q. Ms. Skeans, do you know who</p> <p>11 Roberta Valerio is?</p> <p>12 A. Uh-hum. Roberta was the</p> <p>13 caregiver at Legacy Place. She originally</p> <p>14 worked for Legacy. Then she worked somewhere</p> <p>15 else. And when Frank began to fail after I had</p> <p>16 POA, we brought her in, first part-time and</p> <p>17 then full-time, to be Frank's supplemental</p> <p>18 caregiver.</p> <p>19 Q. Around when was that, that she</p> <p>20 started?</p> <p>21 A. She started very few hours</p> <p>22 supplementally to the Legacy staff early in</p> <p>23 2017 because of Frank's failing health. Legacy</p> <p>24 is a personal care facility, not a nursing</p>

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<p style="text-align: right;">Page 150</p> <p>1 home. So they only have so much staff. 2 So Frank paid Roberta to have a 3 little -- a little extra attention. And then 4 as he got more needy, her hours increased. And 5 when he fell in late 2017, she became more -- 6 she had -- she gave more hours. 7 Q. Understood. 8 Do you remember sending this 9 e-mail? 10 A. Yes. 11 Q. Could you read this e-mail to 12 me? 13 A. It's from me to Roberta. "Here 14 is the slightly revised letter. Darb suggests 15 that in addition you provide a short 16 handwritten or typed note that is addressed to 17 Brother Billingsley that says that you were 18 instructed to copy the letter to the two people 19 at Bethel that he knows. (Erna has visited 20 several times and, of course, Brother Weaver 21 was there so is top of mind). Thanks . . . and 22 let me know if tomorrow is a good day to chat 23 with Frank." 24 Q. And that's the Erna that you had</p>	<p style="text-align: right;">Page 152</p> <p>1 is the slightly revised letter." 2 Did you draft the attachment? 3 A. No. Roberta did. She had asked 4 my thoughts on it. She spent a lot of time 5 with Frank. She was trying -- all of us were 6 trying to get Brother Billingsley to -- to -- 7 to visit Frank and explain things. And -- and 8 Frank was very distraught that Justin wouldn't 9 come to see him and explain things. And every 10 time we had to give him a progress report, he 11 got more concerned. 12 And so Roberta, with him, 13 prepared a short letter to be sent to Justin on 14 Frank's behalf. 15 Q. We're going to look at the 16 attachment now. This is the attachment, and 17 the attachment is 2618. 18 So just real quick, this is the 19 attachment. Do you happen to know if this had 20 been signed and sent to Mr. Billingsley? 21 A. I don't believe it was ever 22 signed and sent. 23 MR. GREEN: Okay. Thanks. I'm 24 towards the end of my outline. So I'm</p>
<p style="text-align: right;">Page 151</p> <p>1 mentioned earlier? 2 A. That's the attorney in the 3 charitable planning office, yes, the one that 4 died of cancer. 5 Q. Yes. She was at the charitable 6 planning office at Watchtower? 7 A. Correct. 8 Q. Who is Brother Weaver? 9 A. Brother Weaver is Brother Leon 10 Weaver. He's a member of what we call a branch 11 committee. And he had been to see Frank to 12 thank him for a donation that was made to 13 Watchtower that year. 14 Q. Briefly, what's a branch 15 committee? 16 A. It's an organizational committee 17 at Watchtower that handles a branch. The 18 branch is the United -- in this case, it's the 19 United States and some of the territories. 20 And they're simply a group of 21 Brothers that collectively handle the 22 administrative things related to it. 23 Q. Understood. 24 The first sentence says, "Here</p>	<p style="text-align: right;">Page 153</p> <p>1 going to take another short break and 2 I'll be, you know, no more than five 3 minutes. And we might be able to wrap up 4 a little bit early. 5 MR. MAHONEY: Okay. That's 6 fine, Bill. 7 MR. GREEN: Thanks. Off the 8 record. 9 - - - 10 (Whereupon, a recess was taken 11 from 1:25 p.m. to 1:31 p.m.) 12 - - - 13 MR. GREEN: We can go back on 14 the record. 15 Thank you for your time, 16 Mrs. Skeans. We're going to wrap here. 17 THE WITNESS: Alrighty. 18 MR. MAHONEY: All right. Thank 19 you, Bill. 20 MR. GREEN: Thank you, Bill. 21 (Witness excused.) 22 (Whereupon, the deposition was 23 concluded at 1:31 p.m.) 24 - - -</p>

DA-6

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

- - -

DEBORAH S. SKEANS, : CIVIL ACTION
Executrix of the ESTATE : NUMBER
OF FRANK E. PAVLIS, : 1:18-cv-01516-
Plaintiff, : CFC
v. :
KEY COMMERCIAL FINANCE, :
LLC, KEY COMMERCIAL :
FINANCE PROPERTIES, LLC, :
EQUITY PROS, LLC, and :
MOBILE AGENCY, LLC, :
Defendants. :

- - -

Monday, April 27, 2020

- - -

Oral deposition of JUSTIN C.
BILLINGSLEY, taken remotely via Zoom, at
122 Sherwood Hill Road, Brewster, New York
10509, beginning at 9:30 a.m., reported
stenographically by Cheryl L. Goldfarb, a
Registered Professional Reporter, Notary
Public, and an approved reporter of the United
States District Court.

- - -

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Philadelphia, Pennsylvania 19103

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<p style="text-align: right;">Page 6</p> <p>1 ---</p> <p>2</p> <p>3 PREVIOUSLY MARKED DOCUMENTS</p> <p>4</p> <p>5 NUMBER.....PAGE</p> <p>6 P-2.....97</p> <p>7 P-3.....100</p> <p>8 P-4.....124</p> <p>9 P-5.....167</p> <p>10 P-7.....212</p> <p>11 P-8.....213</p> <p>12 P-9.....214</p> <p>13 P-10.....220</p> <p>14 P-38.....43</p> <p>15 P-40.....116</p> <p>16 P-47.....191</p> <p>17 P-52.....202</p> <p>18 P-53.....199</p> <p>19 P-57.....228</p> <p>20 ---</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p style="text-align: right;">Page 8</p> <p>1 THE COURT REPORTER: Counsel, if</p> <p>2 you wish, I won't read my statement with</p> <p>3 regard to swearing in the witness</p> <p>4 remotely into the record.</p> <p>5 MR. MAHONEY: I'm happy to</p> <p>6 consent on behalf of the plaintiff.</p> <p>7 MR. GREEN: We consent on behalf</p> <p>8 of the defendant.</p> <p>9 THE COURT REPORTER: Mr.</p> <p>10 Billingsley, will you please raise your</p> <p>11 right hand.</p> <p>12 ---</p> <p>13 JUSTIN C. BILLINGSLEY, after</p> <p>14 having been first duly sworn/affirmed,</p> <p>15 was examined and testified as follows:</p> <p>16 ---</p> <p>17 THE WITNESS: I do.</p> <p>18 ---</p> <p>19 EXAMINATION</p> <p>20 ---</p> <p>21 BY MR. MAHONEY:</p> <p>22 Q. Good morning, Mr. Billingsley.</p> <p>23 A. Good morning.</p> <p>24 Q. Please tell me how you first</p>
<p style="text-align: right;">Page 7</p> <p>1 DEPOSITION SUPPORT INDEX</p> <p>2</p> <p>3 DIRECTION TO WITNESS NOT TO ANSWER</p> <p>4 Page Line</p> <p>5 (None)</p> <p>6</p> <p>7</p> <p>8 REQUEST FOR PRODUCTION OF DOCUMENTS</p> <p>9 Page Line Description</p> <p>10 (None)</p> <p>11</p> <p>12</p> <p>13 STIPULATIONS</p> <p>14 Page Line</p> <p>15 (Pursuant to Federal Rules of Civil Procedure)</p> <p>16</p> <p>17</p> <p>18 QUESTIONS MARKED</p> <p>19 Page Line</p> <p>20 (None)</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p style="text-align: right;">Page 9</p> <p>1 came to know Frank Pavlis.</p> <p>2 A. I was introduced to Frank by</p> <p>3 Debby and Darbin Skeans.</p> <p>4 Q. Under what circumstances?</p> <p>5 A. Debby and Darbin Skeans wanted</p> <p>6 me to meet Frank to talk about his finances,</p> <p>7 talk about a project that they were considering</p> <p>8 with Legacy Place.</p> <p>9 Q. When do you recall first</p> <p>10 speaking with Mr. Pavlis?</p> <p>11 A. When do I recall? I don't</p> <p>12 remember the date. It would have to be late</p> <p>13 2011, perhaps early 2012.</p> <p>14 Q. Tell me generally what you did</p> <p>15 in terms of either assisting Mr. Pavlis or</p> <p>16 speaking with Mr. Pavlis about his finances.</p> <p>17 A. We talked about everything. I</p> <p>18 don't remember in detail. We talked about many</p> <p>19 things related to his finances.</p> <p>20 Q. At a high level, tell me what</p> <p>21 you recall, the topics.</p> <p>22 A. I -- outside of talking about</p> <p>23 his finances, I don't recall specific topics.</p> <p>24 It was too long ago.</p>

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<p style="text-align: right;">Page 22</p> <p>1 Q. So sitting here today, you're</p> <p>2 saying that you don't recall the fact that</p> <p>3 Mr. Pavlis invested that money?</p> <p>4 A. I believe he did.</p> <p>5 Q. And what role, if any, did you</p> <p>6 play in his investment of the money?</p> <p>7 A. I had explained it, introduced</p> <p>8 it, similar to as I did with Darbin and Debby,</p> <p>9 and put him in contact with those responsible.</p> <p>10 Q. And who did you put him in</p> <p>11 contact with?</p> <p>12 A. I believe it was Michael</p> <p>13 Silberman.</p> <p>14 Q. Were you present during any</p> <p>15 communications between Mr. Pavlis and</p> <p>16 Mr. Silberman?</p> <p>17 A. I seem to remember a phone call,</p> <p>18 but I -- I don't recall.</p> <p>19 Q. Did you maintain any notes or</p> <p>20 any documentary record of any discussions that</p> <p>21 you had with Mr. Pavlis relating to his</p> <p>22 investment in Mobile Pro?</p> <p>23 MR. GREEN: Object to form.</p> <p>24 A. I don't recall notes. If there</p>	<p style="text-align: right;">Page 24</p> <p>1 of different opportunities, yes.</p> <p>2 Q. Well, I'm talking about this</p> <p>3 particular opportunity.</p> <p>4 What do you recall about that?</p> <p>5 MR. GREEN: Object to form.</p> <p>6 THE WITNESS: Could you restate</p> <p>7 the question?</p> <p>8 BY MR. MAHONEY:</p> <p>9 Q. Yes. Tell me what you recall</p> <p>10 about the proposal that you made to the Skeans</p> <p>11 to enter into an LLC agreement between you and</p> <p>12 Mr. Miller.</p> <p>13 A. And you're asking me what I</p> <p>14 recall?</p> <p>15 Q. Yes, that's fair enough.</p> <p>16 A. Yeah. We had spoken about many</p> <p>17 different real estate opportunities together.</p> <p>18 Q. Did the Skeans approach you</p> <p>19 about this or did you approach them about it?</p> <p>20 A. I believe it was mutual. They</p> <p>21 had approached me about help that they needed</p> <p>22 so that it was a mutual discussion back and</p> <p>23 forth.</p> <p>24 Q. Well, when did they approach you</p>
<p style="text-align: right;">Page 23</p> <p>1 was anything that was by way of a note or</p> <p>2 anything else, it's been produced.</p> <p>3 BY MR. MAHONEY:</p> <p>4 Q. Okay. So it's your</p> <p>5 understanding that anything you had has been</p> <p>6 produced in discovery?</p> <p>7 A. Yes.</p> <p>8 Q. Now, I'll represent to you that</p> <p>9 Mr. Pavlis did, in fact, send half a million</p> <p>10 dollars, I believe it was via wire, to Wilson</p> <p>11 Sonsini. And then within a week or two, that</p> <p>12 \$500,000 was wired back from Wilson Sonsini to</p> <p>13 Mr. Pavlis.</p> <p>14 Do you know why?</p> <p>15 MR. GREEN: Object to form.</p> <p>16 A. I have no idea.</p> <p>17 BY MR. MAHONEY:</p> <p>18 Q. Do you recall discussing it with</p> <p>19 Mr. Pavlis?</p> <p>20 A. I do not.</p> <p>21 Q. Do you recall ever proposing to</p> <p>22 Mr. and Mrs. Skeans that they be involved in a</p> <p>23 real estate venture with you and Gary Miller?</p> <p>24 A. I remember we spoke about a lot</p>	<p style="text-align: right;">Page 25</p> <p>1 about help they needed?</p> <p>2 A. Towards the very beginning of</p> <p>3 how our relationship began.</p> <p>4 Q. And what help did they need?</p> <p>5 A. They needed me to help bring</p> <p>6 understanding to their Legacy Place, their</p> <p>7 assisted living business opportunity.</p> <p>8 Q. Mr. Miller had nothing to do</p> <p>9 with that, correct?</p> <p>10 MR. GREEN: Object to form.</p> <p>11 A. Had nothing to do with what?</p> <p>12 BY MR. MAHONEY:</p> <p>13 Q. With what we were just talking</p> <p>14 about.</p> <p>15 A. We were talking about a few</p> <p>16 different things. What in specific?</p> <p>17 Q. All right. Did Mr. Miller have</p> <p>18 anything to do with Legacy Place?</p> <p>19 A. He came to a -- a conference in</p> <p>20 Chicago that Darbin and Debby sponsored and</p> <p>21 considered it. He was involved in looking at</p> <p>22 it.</p> <p>23 Q. Isn't it true he was there just</p> <p>24 to speak with you and the Skeanses about a</p>

7 (Pages 22 - 25)

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<p style="text-align: right;">Page 34</p> <p>1 Investments, yes.</p> <p>2 Q. Is it your belief that when he</p> <p>3 sent that wire, he thought he was investing in</p> <p>4 something other than Allwest Investments?</p> <p>5 A. It was his understanding that we</p> <p>6 were getting things started.</p> <p>7 Q. What does that mean?</p> <p>8 A. That we were getting our</p> <p>9 investments, our investment project started</p> <p>10 that he and I had been discussing for a long</p> <p>11 time.</p> <p>12 Q. So tell me what investment</p> <p>13 project you're referring to.</p> <p>14 A. We had gone back and forth</p> <p>15 talking about many different ways to make</p> <p>16 money. And at this point, we had talked about</p> <p>17 investing, about him putting money with some of</p> <p>18 the work that I was doing, and that we had</p> <p>19 talked a lot about Gary being a good operator.</p> <p>20 So it made sense to him at the time to get</p> <p>21 started.</p> <p>22 Q. I'm still not clear on what you</p> <p>23 mean by your project.</p> <p>24 So we know that a million</p>	<p style="text-align: right;">Page 36</p> <p>1 MR. MAHONEY: Cheryl, can you</p> <p>2 read it back, please.</p> <p>3 - - -</p> <p>4 (Whereupon, the court reporter</p> <p>5 read back the following:</p> <p>6 "QUESTION: I'm only interested</p> <p>7 in what you know. So he invests a</p> <p>8 million dollars with Allwest.</p> <p>9 "Are you suggesting that when he</p> <p>10 made that investment, he thought it was</p> <p>11 for or in connection with some other</p> <p>12 project that you were going to be</p> <p>13 leading?"</p> <p>14 - - -</p> <p>15 A. Yes.</p> <p>16 BY MR. MAHONEY:</p> <p>17 Q. Okay. And what project was</p> <p>18 that?</p> <p>19 A. That's the project that</p> <p>20 eventually became Key Commercial Finance.</p> <p>21 Q. When did you first start</p> <p>22 discussing the project that eventually became</p> <p>23 Key Commercial Finance with Mr. Pavlis?</p> <p>24 A. It's hard to remember. We had</p>
<p style="text-align: right;">Page 35</p> <p>1 dollars went from Mr. Pavlis to Allwest</p> <p>2 Investments, right?</p> <p>3 A. Yes. Are you asking is that</p> <p>4 true --</p> <p>5 Q. Yes.</p> <p>6 A. -- or that's what we know?</p> <p>7 Q. Well, it's the same thing,</p> <p>8 right?</p> <p>9 You know that happened, correct?</p> <p>10 A. It's true. I believe it's true.</p> <p>11 I don't know what we all know on the call</p> <p>12 today. But, yes, that statement is true.</p> <p>13 Q. I'm only interested in what you</p> <p>14 know. So he invests a million dollars with</p> <p>15 Allwest.</p> <p>16 Are you suggesting that when he</p> <p>17 made that investment, he thought it was for or</p> <p>18 in connection with some other project that you</p> <p>19 were going to be leading?</p> <p>20 MR. GREEN: Object to form.</p> <p>21 You can answer.</p> <p>22 THE WITNESS: Could you re --</p> <p>23 could you repeat the question, Mr.</p> <p>24 Mahoney?</p>	<p style="text-align: right;">Page 37</p> <p>1 so, so many discussions and so, so many</p> <p>2 meetings over the many, many months.</p> <p>3 I -- if I remember right, the</p> <p>4 first time that opportunity came up in</p> <p>5 discussion was in a meeting where he and I and</p> <p>6 Darbin and Debby were talking about the need</p> <p>7 for him to invest in real estate with his</p> <p>8 portfolio.</p> <p>9 Q. So you recall that there was an</p> <p>10 actual meeting among the four of you to discuss</p> <p>11 diversifying, if you will, Mr. Pavlis'</p> <p>12 portfolio to have a real estate component?</p> <p>13 Is that a fair summary?</p> <p>14 A. There were many meetings with</p> <p>15 the four of us, talking about many different</p> <p>16 investment topics. We had spoken about, again,</p> <p>17 many topics.</p> <p>18 Was one of those topics the need</p> <p>19 for him to invest in real estate? Yes.</p> <p>20 Q. And you have a recollection that</p> <p>21 in one of those meetings, that it was discussed</p> <p>22 with the Skeanses and Mr. Pavlis that</p> <p>23 Mr. Pavlis will invest in a project that</p> <p>24 eventually would become known as Key Commercial</p>

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<p style="text-align: right;">Page 38</p> <p>1 Finance; is that correct?</p> <p>2 MR. GREEN: Object to form.</p> <p>3 You can answer.</p> <p>4 A. I'm sorry, Mr. Mahoney, I'm</p> <p>5 trying to -- it felt like your question had a</p> <p>6 couple different pieces. I'm just trying to</p> <p>7 put them together in my head.</p> <p>8 I'm sorry, could you repeat it</p> <p>9 back?</p> <p>10 BY MR. MAHONEY:</p> <p>11 Q. Yes. So it's your testimony</p> <p>12 that the Skeanses were aware that when</p> <p>13 Mr. Pavlis invested in Allwest, he was actually</p> <p>14 investing in a project that would eventually</p> <p>15 become Key Commercial? Is that your testimony?</p> <p>16 A. That the Skeanses were aware?</p> <p>17 You said that the Skeanses were aware?</p> <p>18 Q. Yes. Uh-hum.</p> <p>19 A. Yes, it's my understanding.</p> <p>20 Q. And it's your understanding or</p> <p>21 your belief that one or more meetings when that</p> <p>22 was discussed took place before Mr. Pavlis</p> <p>23 invested a million dollars in Allwest</p> <p>24 Investments; is that correct?</p>	<p style="text-align: right;">Page 40</p> <p>1 A. Pardon me?</p> <p>2 Q. What is your understanding as to</p> <p>3 why then?</p> <p>4 A. The Skeanses were highly active</p> <p>5 in investment opportunities with Mr. Pavlis.</p> <p>6 They had a keen interest in Mr. Pavlis' money.</p> <p>7 Q. Tell me what you explained to</p> <p>8 Mr. Pavlis as to how the project would work.</p> <p>9 If he's investing money in</p> <p>10 Allwest, how did you explain to him that that</p> <p>11 would at some point really be an investment in</p> <p>12 your project that became Key, Key Financial?</p> <p>13 MR. GREEN: Object to form.</p> <p>14 A. Tell you how I explained it to</p> <p>15 him, how it would work?</p> <p>16 BY MR. MAHONEY:</p> <p>17 Q. What did you tell him about that</p> <p>18 investment and how it would work as it relates</p> <p>19 to Key Commercial?</p> <p>20 A. There was never a -- a perfectly</p> <p>21 defined here's how it would work. Frank was</p> <p>22 highly engaging. So I would have an idea. He</p> <p>23 would want it changed. He would have an idea.</p> <p>24 I wouldn't be willing. And we would go back</p>
<p style="text-align: right;">Page 39</p> <p>1 MR. GREEN: Object to form.</p> <p>2 You can answer.</p> <p>3 A. So is it correct that the</p> <p>4 Skeanses' understanding that all of our</p> <p>5 discussions culminated in an investment with</p> <p>6 the Skeanses?</p> <p>7 BY MR. MAHONEY:</p> <p>8 Q. No, that's not what I asked.</p> <p>9 That's not what I asked.</p> <p>10 This meeting, whether it was one</p> <p>11 or more meetings where the concept that</p> <p>12 eventually became Key was discussed among you,</p> <p>13 the Skeanses and Mr. Pavlis, did some of those</p> <p>14 meetings take place before Mr. Pavlis invested</p> <p>15 a million dollars with Allwest in early 2014?</p> <p>16 A. Yes.</p> <p>17 Q. Okay. And do you know why the</p> <p>18 Skeanses were involved in those discussions?</p> <p>19 A. I don't know why they -- I know</p> <p>20 what I think. But your question is why they</p> <p>21 were there?</p> <p>22 Q. No. I said --</p> <p>23 A. No, I don't know if they were --</p> <p>24 Q. Okay.</p>	<p style="text-align: right;">Page 41</p> <p>1 and forth, back and forth, back and forth until</p> <p>2 eventually things settled in and he got</p> <p>3 comfortable and I got comfortable. So there</p> <p>4 was never a definitive here's how it will work.</p> <p>5 Q. Well, tell me about how the</p> <p>6 concept progressed over time in your</p> <p>7 discussions with Mr. Pavlis.</p> <p>8 A. I don't believe it happened that</p> <p>9 way. I don't believe it happened in -- in such</p> <p>10 an easily definable manner. Things were very</p> <p>11 fluid and we were constantly responding to the</p> <p>12 opportunities and what he liked and didn't</p> <p>13 like.</p> <p>14 Q. Okay. I'm talking about Key</p> <p>15 Commercial Finance, not other things.</p> <p>16 Are we on the same page there?</p> <p>17 A. I believe so, yes.</p> <p>18 Q. So if it's your testimony,</p> <p>19 Mr. Billingsley, that Mr. Pavlis, from the</p> <p>20 beginning, when he invested his first million</p> <p>21 dollars with Allwest, really understood that it</p> <p>22 was going to be ultimately an investment in</p> <p>23 something with you that became Key Commercial,</p> <p>24 why did he invest in Allwest at all? Why not</p>

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<p style="text-align: right;">Page 46</p> <p>1 MS. REDFERN: All right. It's</p> <p>2 set.</p> <p>3 BY MR. MAHONEY:</p> <p>4 Q. Mr. Billingsley, this is what</p> <p>5 purports to be an Allwest RE Partners</p> <p>6 Subscription Agreement.</p> <p>7 MR. MAHONEY: And, Cam, if you</p> <p>8 flip to the next page.</p> <p>9 BY MR. MAHONEY:</p> <p>10 Q. You'll see that this is the</p> <p>11 first page of the agreement with some account</p> <p>12 information blacked out.</p> <p>13 Do you recall presenting an</p> <p>14 Allwest subscription agreement to Mr. Pavlis?</p> <p>15 A. Yes, I believe I did.</p> <p>16 Q. And do you recall when that was?</p> <p>17 A. No. No, I don't recall when.</p> <p>18 MR. MAHONEY: Cam, flip through,</p> <p>19 please, a couple pages. You'll get to a</p> <p>20 page with a date on it.</p> <p>21 MS. REDFERN: (Scrolling through</p> <p>22 document.)</p> <p>23 MR. MAHONEY: Okay.</p> <p>24 BY MR. MAHONEY:</p>	<p style="text-align: right;">Page 48</p> <p>1 Q. Well, "could have been" implies</p> <p>2 that it may not have been.</p> <p>3 I'm asking you, do you</p> <p>4 specifically have a recollection of discussing</p> <p>5 with Mr. Pavlis a million dollar investment for</p> <p>6 a two-year note from Allwest?</p> <p>7 A. I'm sure we discussed this</p> <p>8 document with many others, yes.</p> <p>9 Q. And do you recall telling</p> <p>10 Mr. Pavlis anything about, for example, the</p> <p>11 terms of this two-year note? What was he</p> <p>12 getting in return for his million dollar</p> <p>13 investment?</p> <p>14 A. Yeah. These were the topics</p> <p>15 constantly in discussion with Mr. --</p> <p>16 Mr. Pavlis. He -- this was one of the parts</p> <p>17 of -- of the work that was so fluid with Frank.</p> <p>18 It was constantly in development.</p> <p>19 Q. Well, how could something be</p> <p>20 constantly in development when it appears that</p> <p>21 he's actually agreeing to spend a million</p> <p>22 dollars to get a two-year note?</p> <p>23 MR. GREEN: Object to form.</p> <p>24 BY MR. MAHONEY:</p>
<p style="text-align: right;">Page 47</p> <p>1 Q. Mr. Billingsley, do you</p> <p>2 recognize the writing on that page?</p> <p>3 A. Do I recognize the writing? No,</p> <p>4 I don't recognize the writing.</p> <p>5 Q. So that's not your writing?</p> <p>6 A. I don't have any reason to</p> <p>7 believe that's my writing, no.</p> <p>8 Q. This indicates that on the 28th</p> <p>9 day of January 2014, that Mr. Pavlis was</p> <p>10 investing a million dollars in a two-year note.</p> <p>11 Do you recall having a</p> <p>12 discussion with Mr. Pavlis about him investing</p> <p>13 a million dollars for a two-year note from</p> <p>14 Allwest?</p> <p>15 A. Well, he sure could have. We</p> <p>16 talked about many different documents. We</p> <p>17 looked at many different versions of these</p> <p>18 documents. This could have easily been one of</p> <p>19 the ones that he and I discussed at length.</p> <p>20 Q. My question is, do you recall</p> <p>21 discussing it with him?</p> <p>22 A. I believe I've answered that it</p> <p>23 could have been one of the many that we</p> <p>24 discussed easily.</p>	<p style="text-align: right;">Page 49</p> <p>1 Q. Wasn't the note already</p> <p>2 prepared?</p> <p>3 MR. GREEN: Object to form.</p> <p>4 A. We prepared many different</p> <p>5 documents, and then he wanted them changed.</p> <p>6 BY MR. MAHONEY:</p> <p>7 Q. Okay. Stick with me. I'm</p> <p>8 talking about this one.</p> <p>9 Was the note already prepared at</p> <p>10 the time that you presented this to Mr. Pavlis</p> <p>11 for his signature?</p> <p>12 MR. GREEN: Object to form.</p> <p>13 THE WITNESS: I don't understand</p> <p>14 the question.</p> <p>15 MR. MAHONEY: Okay. Turn to the</p> <p>16 next page, please, Cam.</p> <p>17 Thank you.</p> <p>18 BY MR. MAHONEY:</p> <p>19 Q. Mr. Billingsley, do you</p> <p>20 recognize the writing on this page?</p> <p>21 A. Not particularly, no.</p> <p>22 Q. When you sat down -- and</p> <p>23 presumably that's Mr. Pavlis' signature.</p> <p>24 Is that your understanding?</p>

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<p style="text-align: right;">Page 58</p> <p>1 Q. You can't remember the beginning 2 of a question 30 seconds ago, and yet you can 3 remember dates of meetings. Okay. 4 MR. GREEN: Objection, 5 argumentative. 6 MR. MAHONEY: Read that back, 7 please. 8 --- 9 (Whereupon, the court reporter 10 read back the following: 11 "QUESTION: So after Mr. Pavlis 12 made this million dollar investment in 13 Allwest, tell me what discussions you had 14 with him after that relating to what you 15 contend was the project that ultimately 16 became Key Commercial.") 17 --- 18 A. Tell me what discussions I had 19 that became Key? We would talk about on many 20 occasions all of the many moving parts. We 21 talked about the Key Commercial Finance 22 project. 23 BY MR. MAHONEY: 24 Q. What did you tell him about it?</p>	<p style="text-align: right;">Page 60</p> <p>1 BY MR. MAHONEY: 2 Q. You understand that Key 3 Commercial Finance was not created as a legal 4 entity until December of 2014, right? 5 MR. GREEN: Object to form. 6 A. Yeah. My attorneys had 7 explained to me that it was fine. It would get 8 done eventually. Everything was doing well. 9 BY MR. MAHONEY: 10 Q. Let me unpack it a little bit. 11 So, again, are these the 12 attorneys at Snell & Wilmer? 13 A. We had many attorneys in 14 addition to Snell & Wilmer. There were others. 15 Q. Okay. Well, which attorneys 16 told you that it was okay, you didn't have to 17 worry about filing paperwork to create Key 18 Commercial Finance? 19 MR. GREEN: I'm going to object 20 to the extent this asks for 21 attorney-client privileged information. 22 MR. MAHONEY: He's already said 23 it before. But at the moment, I'm just 24 asking for the attorneys.</p>
<p style="text-align: right;">Page 59</p> <p>1 A. We would talk about ideas about 2 how to do things better, do things stronger, 3 how to address his concerns, how to consider 4 everything that he wanted it to be and in the 5 context of something that I could get done. 6 Q. What did he tell you he wanted 7 it to be? 8 A. That's a really long list. 9 Frank was extremely particular and -- and very, 10 very picky. Yeah, I -- I couldn't recall the 11 many, many dynamics that Frank would require 12 and talk about. 13 Q. Let me ask you this: If, in 14 fact, there was an understanding, even before 15 he invested the first million dollars, that 16 ultimately that would go to this entity Key 17 Commercial Finance, after he invested the 18 million dollars, why didn't you have your 19 lawyers draw up papers to create something 20 called Key Commercial Finance? 21 MR. GREEN: Object to form. 22 A. Yeah, I don't recall that it 23 happened that way. I believe we were 24 constantly in efforts to do just that.</p>	<p style="text-align: right;">Page 61</p> <p>1 BY MR. MAHONEY: 2 Q. So who were they besides Snell & 3 Wilmer? 4 A. Again, we had several attorneys. 5 One that comes to mind would be Hillel Goldman. 6 We had an attorney -- an attorney I talked to a 7 lot was Martin Hewitt. 8 Q. And is it your testimony that -- 9 I'm sorry, go ahead. I didn't mean to cut you 10 off. 11 A. No. I think that's all I can 12 recall for now. I believe that it feels like 13 there were more. 14 Q. Is it your testimony that Mr. 15 Gold -- did you say Hillel Goldman? 16 A. Yes. 17 Q. Was it your testimony that 18 Mr. Goldman and Mr. Hewitt advised you that it 19 was okay to hold off forming Key Commercial 20 Finance for almost a year? 21 MR. GREEN: Object to form. And 22 object to -- 23 A. No. 24 MR. GREEN: -- attorney-client</p>

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<p style="text-align: right;">Page 62</p> <p>1 privilege.</p> <p>2 BY MR. MAHONEY:</p> <p>3 Q. No what?</p> <p>4 A. No, that's not at all what I</p> <p>5 said.</p> <p>6 Q. Okay. Well, I asked you who</p> <p>7 gave you the advice. Because you said just a</p> <p>8 few questions ago, that you were advised by</p> <p>9 your counsel that you didn't have to worry</p> <p>10 about getting the LLC formed right away.</p> <p>11 Now, I'm asking you, apart from</p> <p>12 Snell & Wilmer, what other attorneys told you</p> <p>13 that, if any?</p> <p>14 MR. GREEN: Object to form.</p> <p>15 And I'm going to object to questions</p> <p>16 about attorney-client privileged</p> <p>17 information.</p> <p>18 MR. MAHONEY: You can object.</p> <p>19 He can answer.</p> <p>20 A. Yeah, I believe you're</p> <p>21 misstating me. Can we have the record read</p> <p>22 back as to what I said?</p> <p>23 MR. MAHONEY: That's all right,</p> <p>24 Cheryl, I don't want to waste time on</p>	<p style="text-align: right;">Page 64</p> <p>1 can't object.</p> <p>2 So just for my benefit, what's</p> <p>3 the actual question right now?</p> <p>4 MR. MAHONEY: That's all right.</p> <p>5 I think we've gotten the answer that</p> <p>6 we're going to get out of</p> <p>7 Mr. Billingsley.</p> <p>8 BY MR. MAHONEY:</p> <p>9 Q. So didn't you think -- I mean,</p> <p>10 you had been involved in finance for quite some</p> <p>11 time as of January 2014, right?</p> <p>12 A. What do you mean by "finance"?</p> <p>13 Q. Well, you had been involved in a</p> <p>14 number of ventures raising money, et cetera,</p> <p>15 right?</p> <p>16 A. I wouldn't characterize it that</p> <p>17 way at all.</p> <p>18 Q. Well, let me put it this way:</p> <p>19 Given your professional experience as of</p> <p>20 January of 2014, didn't you think it would be</p> <p>21 important to have something documenting this</p> <p>22 company that you contend Mr. Pavlis was</p> <p>23 agreeing to invest in at or around the time</p> <p>24 that he made his initial investment?</p>
<p style="text-align: right;">Page 63</p> <p>1 that.</p> <p>2 A. (Continuing) Here's my point,</p> <p>3 Mr. Mahoney. That's not what I said at all. I</p> <p>4 said the attorneys told me it was going fine.</p> <p>5 Everything was fine.</p> <p>6 And you're trying to make it as</p> <p>7 if --</p> <p>8 BY MR. MAHONEY:</p> <p>9 Q. I asked you what attorneys told</p> <p>10 you that. You said Snell & Wilmer.</p> <p>11 Now I'm asking you, did other</p> <p>12 attorneys tell you that as well?</p> <p>13 MR. GREEN: Objection to form.</p> <p>14 Object to attorney-client privileged</p> <p>15 information.</p> <p>16 I think we should move on.</p> <p>17 MR. MAHONEY: Well, you may</p> <p>18 think what you like, Bill, but I'd like</p> <p>19 an answer to my question.</p> <p>20 THE WITNESS: Yeah, I believe</p> <p>21 asked and answered.</p> <p>22 MR. MAHONEY: Okay. You're not</p> <p>23 the attorney, sir.</p> <p>24 MR. GREEN: Yes. Justin, you</p>	<p style="text-align: right;">Page 65</p> <p>1 MR. GREEN: Object to form.</p> <p>2 You can answer.</p> <p>3 A. I think given my business</p> <p>4 experience, it was important to have attorneys</p> <p>5 hired that were involved that I could rely on.</p> <p>6 BY MR. MAHONEY:</p> <p>7 Q. Do you know what attorneys, if</p> <p>8 any, prepared the documentation in</p> <p>9 December 2014 that actually created Key</p> <p>10 Commercial Finance, LLC?</p> <p>11 A. You're asking which attorneys</p> <p>12 created the -- submitted the formation</p> <p>13 documentation for Key?</p> <p>14 Q. Correct, if any did.</p> <p>15 A. I'm confident an attorney did do</p> <p>16 the documentation. I want to say it was</p> <p>17 Hillel, but I'm not certain. I don't recall.</p> <p>18 Q. Do you recall that being a</p> <p>19 complicated or involved process, creating that</p> <p>20 LLC?</p> <p>21 A. A complicated or involved</p> <p>22 process?</p> <p>23 Q. Yes.</p> <p>24 A. I was not involved very much at</p>

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<p style="text-align: right;">Page 66</p> <p>1 all with that type of the process. I hired 2 people and trusted that they'd do their job. 3 Q. What do you recall of your 4 discussions with Mr. Pavlis about an additional 5 investment in Allwest Investments in or around 6 May of 2014? 7 MR. GREEN: Object to form. 8 A. What do I recall? What do I 9 recall about what, Mr. Mahoney? Discussions 10 with Mr. Pavlis? 11 BY MR. MAHONEY: 12 Q. Yes, about that second 13 investment. 14 A. We had talked about that he 15 wanted to do more. And it was important to me 16 that he was relying upon all of the 17 professionals in his world, which is -- I 18 remember him wanting to create liquidity in 19 various ways. I insisted that he create 20 liquidity directed from his brokerage company, 21 because I would be able to trust that they were 22 involved. To my understanding, that's what he 23 did. 24 So there was several layers of</p>	<p style="text-align: right;">Page 68</p> <p>1 been in touch with -- he had been in touch with 2 his brokers. He had been in touch with 3 individuals in his world, his attorneys. 4 MR. MAHONEY: Cam, would you put 5 up 195, please. 6 MS. REDFERN: This will be P-62. 7 --- 8 (Whereupon, Exhibit P-62 is 9 marked for identification.) 10 --- 11 BY MR. MAHONEY: 12 Q. Mr. Billingsley, this is an 13 e-mail from you to a gentleman named Rick 14 Reveria (sic) at Blue Mountain, dated April 29, 15 2014. 16 Do you recall having 17 communications with Mr. Reveria relating to a 18 potential investment by Mr. Pavlis? 19 A. At that time, I had been 20 speaking to Rick a lot. Rick and I were 21 speaking about many, many different things. 22 He -- he ran Greg's company. So it would -- it 23 would very much make sense that I had spoken to 24 him about Mr. Pavlis.</p>
<p style="text-align: right;">Page 67</p> <p>1 professional expertise involved that I felt I 2 could trust in the lineup. 3 Q. Are you aware of anybody who you 4 considered one of his other professionals who 5 knew anything about either Allwest or Key 6 Commercial? 7 A. I would -- I would sure hope so. 8 He was -- he was a very wealthy man. He was 9 sure paying a lot of people. 10 Q. Did you provide any information 11 to any of those professionals relating to 12 Allwest or Key Commercial? 13 A. I don't recall. I do recall 14 never feeling the need to, because he was -- 15 there was constant conversation between he and 16 I that he had been speaking to them. 17 Q. Let me back up. 18 Do you recall sending 19 information or speaking with any of those 20 professionals about a potential investment in 21 Blue Mountain Enterprises? 22 A. I -- I don't recall. We -- 23 again, I trusted Frank's discussion with me. 24 And he many times would explain that he had</p>	<p style="text-align: right;">Page 69</p> <p>1 Q. And why in late April of 2014 2 were you discussing with him a potential 3 \$6 million investment by Mr. Pavlis? 4 A. As I mentioned, things were 5 highly fluid. I was constantly doing 6 everything in my power to make Frank's 7 participation with his money the best it could 8 possibly be. He was a very good friend of 9 mine. It was very important to me that things 10 be done right. 11 So I'm sure I was out doing 12 everything in my power to talk to everybody I 13 could possibly talk to about doing the best for 14 Frank. 15 Q. Do you know why Mr. Pavlis did 16 not invest any money with Blue Mountain? 17 MR. GREEN: Object to form. 18 You can answer. 19 A. At this time, I don't recall. 20 They had a lot -- a lot of investors. They 21 had, I believe, right at \$400 million in their 22 fund. So I don't recall. 23 BY MR. MAHONEY: 24 Q. Do you recall what sort of</p>

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<p style="text-align: right;">Page 70</p> <p>1 return that opportunity offered to Mr. Pavlis 2 if he had invested? 3 A. No, I don't recall. 4 Q. Now, in your second paragraph 5 here, you write, "Frank is also of the opinion 6 that the height of the current market values is 7 a good time to take some profits and diversify. 8 His current stock and bond portfolio is worth 9 no less than \$70 million. He is highly liquid. 10 Although he has great investment experience 11 with real estate in the past he is currently 12 not invested at all in real estate at the 13 present." 14 What was your understanding of 15 Mr. Pavlis' experience with real estate 16 investments? 17 A. I believe, just as I said, that 18 he had great investment experience. 19 Q. What was it? What did you 20 understand made up that great investment 21 experience with real estate? 22 A. His explanations to me that his 23 investment experience with real estate was 24 great.</p>	<p style="text-align: right;">Page 72</p> <p>1 out that he could do that without having any 2 damage or cost, any economic inefficiencies, to 3 my understanding. 4 Q. Do you recall having any 5 discussion or interaction with Ed Lentz, who 6 was Mr. Pavlis' estate planning attorney, about 7 a potential investment in Blue Mountain? 8 A. Yeah, I believe -- I believe I 9 do recall a phone conversation with Mr. Lentz. 10 Q. Tell me what you recall of that 11 conversation. 12 A. I seem to remember that he -- I 13 don't believe he was in favor of -- of Frank 14 investing anything. 15 Q. In anything or in this 16 opportunity with Blue Mountain? 17 A. I remember his explanation to me 18 was that he didn't think that Frank should 19 invest in anything. 20 Q. Anything at all, including 21 stocks? 22 A. I don't know what he meant by 23 the phrase. 24 Q. What else do you recall in your</p>
<p style="text-align: right;">Page 71</p> <p>1 Q. You didn't have any further 2 discussion with him about what sort of 3 investment experience he had with real estate? 4 A. I'm sure we did. At this time, 5 I can't recall the details of conversations 6 five years ago. 7 Q. Did you have any discussion with 8 him about the potential capital gains exposure 9 and related tax liability that he would incur 10 if he sold his Air Products stock to raise some 11 portion of the \$6 million? 12 A. He would talk about tax all the 13 time. I know he was incredibly sensitive to it 14 and -- and would always talk about offsets and 15 deductions that he had created. 16 He had said that the tax people 17 in his investment firm were watching it very 18 closely and constantly giving him advice on -- 19 on how to manage it. 20 Q. Do you know how he came up with 21 the number of \$6 million? 22 A. If I recall, he had explained 23 that it was a number that his tax planning 24 professionals at his investment firm had worked</p>	<p style="text-align: right;">Page 73</p> <p>1 discussion with Mr. Lentz on the topic? 2 A. Not much. It was a pretty brief 3 conversation. 4 Q. Why were you speaking with him 5 at all about this? 6 A. It was very important to me to 7 talk to all of Frank's invest -- all of his 8 professionals. 9 Q. Okay. So that was -- 10 A. I believe it was -- 11 Q. I'm sorry. Go ahead. 12 A. So I believe it was important to 13 me to talk to Mr. Lentz and to make sure that 14 he was aware. 15 Q. Did you ever speak with 16 Mr. Lentz about Mr. Pavlis investing \$6 million 17 with Allwest? 18 A. I don't recall. 19 Q. Well, if it was important to you 20 that you speak with Mr. Lentz about a potential 21 investment in Blue Mountain, wouldn't it also 22 have been important to speak with him about 23 where the money ultimately was invested? 24 A. I didn't say it was important</p>

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<p style="text-align: right;">Page 74</p> <p>1 for me to talk with him about an investment 2 with Blue Mountain. 3 Q. I think that's exactly what you 4 said. But if you have a different answer, you 5 can give it. 6 A. No, that's not at all what I 7 said. What I said was, it was important to me 8 that Mr. Lentz know that I exist, that I was 9 involved, that I was there working with Frank. 10 Q. What discussions did you have 11 with Mr. Pavlis about him ultimately making the 12 \$6 million investment with Allwest, for a total 13 of \$7 million invested with Allwest? 14 A. What discussions did I have? 15 Can you be more specific or should I just -- 16 Q. Do you recall any discussions 17 with Mr. Pavlis about investing an additional 18 \$6 million in Allwest? 19 A. Any additional questions? Frank 20 had hundreds of questions constantly. 21 Q. Tell me what you recall of the 22 discussions you had with Mr. Pavlis leading up 23 to his investment of \$6 million in Allwest. 24 A. Yeah. So he -- he would want to</p>	<p style="text-align: right;">Page 76</p> <p>1 BY MR. MAHONEY: 2 Q. Mr. Billingsley, this is an 3 e-mail exchange between you and Ed Lentz, dated 4 May 6, 2014. And the bottom-most e-mail is 5 from you to him, with a copy to Mr. Revetria at 6 Blue Mountain, and the subject is "Master 7 Services Agreement." 8 And you say, "Dear Ed, Please 9 see attached. This is a sample MSA document 10 for your review. This is the document 11 typically used to formalize the financial 12 relationship." 13 And he responds, "So Frank would 14 become a member in Codfish? If so, how is his 15 percentage interest calculated and what is 16 current value of Codfish fund?" 17 Do you recall sending 18 information to Mr. Lentz relating to something 19 called "Codfish"? 20 A. I remember sending these 21 documents to Mr. Lentz. Codfish, I believe, 22 was -- was one of the subentities that Greg 23 would use. Specifically, I don't remember the 24 details of this interchange.</p>
<p style="text-align: right;">Page 75</p> <p>1 know, you know, what it was doing, how it was 2 working, the risk involved, rate of return, how 3 it would work, on and on and on. 4 Q. What did you tell him, for 5 example, about rate of return? 6 A. I don't recall. We spoke about 7 many different iterations, many different 8 things that we were . . . As I mentioned, it 9 was constantly in development. 10 Q. Were you speaking with any other 11 individuals about investing in Allwest? Again, 12 the time frame being from January through, say, 13 July of 2014. 14 A. January through July. I don't 15 recall. That seemed to be what we were looking 16 to develop and build. But, yeah, I don't 17 recall. 18 MR. MAHONEY: Cam, I'd like you 19 to put up Document 209, please. 20 MS. REDFERN: This will be P-63. 21 --- 22 (Whereupon, Exhibit P-63 is 23 marked for identification.) 24 ---</p>	<p style="text-align: right;">Page 77</p> <p>1 Q. Okay. 2 A. But in concept, it looks -- 3 looks right. 4 Q. So you'll agree that this was 5 more than just you wanting to let Mr. Lentz 6 know you exist. You were actively providing 7 documentation for his review, right? 8 A. In the context of this 9 conversation, it's a bit more detailed as to 10 the Blue Mountain investment. I remember at 11 one point, Frank became pretty annoyed that I 12 was having this kind of interaction with Ed, 13 because he was frustrated in the estate 14 planning attorney to be giving any kind of 15 investment advice and investment analysis. 16 Q. Well, didn't Mr. Pavlis 17 specifically ask you to discuss it with 18 Mr. Lentz? 19 A. No. I remember him wanting me 20 to just introduce myself and talk about the 21 idea that we were looking to put something 22 together with Frank. 23 MR. MAHONEY: All right. Let's 24 take a five-minute break.</p>

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<p style="text-align: right;">Page 78</p> <p>1 - - -</p> <p>2 (Whereupon, a recess was taken</p> <p>3 from 11:00 a.m. to 11:09 a.m.)</p> <p>4 - - -</p> <p>5 MR. MAHONEY: Back on the</p> <p>6 record.</p> <p>7 Cam, would you put up 211,</p> <p>8 please.</p> <p>9 MS. REDFERN: This will be P-64.</p> <p>10 - - -</p> <p>11 (Whereupon, Exhibit P-64 is</p> <p>12 marked for identification.)</p> <p>13 - - -</p> <p>14 BY MR. MAHONEY:</p> <p>15 Q. Mr. Billingsley, this is an</p> <p>16 e-mail from you to somebody named Jon Needell</p> <p>17 at, it looks like, Redwood, Kairos Real Estate</p> <p>18 Partners. It's dated May 7th of 2014. And the</p> <p>19 subject is, "Investor Referral Value Fund IV."</p> <p>20 In fairness, let me read what</p> <p>21 you write. You say, "Dear Jon, My name is</p> <p>22 Justin Billingsley. I live in Danbury,</p> <p>23 Connecticut and I have an investment</p> <p>24 relationship by the name of Frank Pavlis. He</p>	<p style="text-align: right;">Page 80</p> <p>1 discussion about that.</p> <p>2 Q. With whom? With them?</p> <p>3 A. With them, yes.</p> <p>4 Q. When you say, "lots of</p> <p>5 discussion," what do you mean?</p> <p>6 A. There were multiple</p> <p>7 conversations with Darbin and Debby about them</p> <p>8 participating in the investment opportunity</p> <p>9 with Frank.</p> <p>10 Q. Did that ever come to fruition?</p> <p>11 A. No.</p> <p>12 Q. Do you know why it did not?</p> <p>13 A. Yes.</p> <p>14 Q. Why?</p> <p>15 A. Debby became super aggressive</p> <p>16 and started to behave in ways that I thought</p> <p>17 were very unstable, started attacking many</p> <p>18 different people in her world that she had</p> <p>19 allowed them to believe they could trust her.</p> <p>20 And it just seemed like it would be a horrible</p> <p>21 idea.</p> <p>22 Q. Well, you're the one who</p> <p>23 proposed it initially, correct?</p> <p>24 A. That's not the way I remember</p>
<p style="text-align: right;">Page 79</p> <p>1 has an interest in participating in a real</p> <p>2 estate investment. His investable net worth is</p> <p>3 well over 70 million. Could you please provide</p> <p>4 me with some information on some of the</p> <p>5 opportunities with Redwood RE?"</p> <p>6 Why were you writing to</p> <p>7 Mr. Needell about Mr. Pavlis' possible</p> <p>8 investment with his firm?</p> <p>9 A. I was continuing to try to find</p> <p>10 good opportunities to develop the best</p> <p>11 opportunity that we could for Key Commercial.</p> <p>12 Q. Well, how would that be a Key</p> <p>13 Commercial opportunity, if Mr. Pavlis was going</p> <p>14 to invest in this fund?</p> <p>15 A. Mr. Pavlis would invest with Key</p> <p>16 Commercial, was our discussion, and then Key</p> <p>17 Commercial would JV with a larger group like</p> <p>18 Redwood or Blue Mountain or any of the many</p> <p>19 options we were considering at the time.</p> <p>20 Q. Do you recall making a proposal</p> <p>21 to Mr. and Mrs. Skeans around the same time</p> <p>22 about doing some sort of venture with them</p> <p>23 using Mr. Pavlis' money?</p> <p>24 A. Yes. There was lots of</p>	<p style="text-align: right;">Page 81</p> <p>1 it.</p> <p>2 Q. Do you think they proposed to</p> <p>3 you that you all be involved in some venture</p> <p>4 with Frank's money?</p> <p>5 A. Yes.</p> <p>6 Q. Really? Tell me what you recall</p> <p>7 of the conversation of a meeting where the</p> <p>8 Skeanses proposed that to you.</p> <p>9 A. There were many. It was the --</p> <p>10 it was the basis of many conversations. There</p> <p>11 were -- even from the outset, there was, come</p> <p>12 meet this gentleman, see what kind of</p> <p>13 opportunities we can develop.</p> <p>14 They wanted me to support</p> <p>15 their -- their opportunity with their assisted</p> <p>16 living business. And they wanted me to join</p> <p>17 it, many times making me offers to join the</p> <p>18 board and continue.</p> <p>19 You know, Debby wanted to raise</p> <p>20 a lot more money. They wanted to put together</p> <p>21 a partnership, of which Debby would use her</p> <p>22 reach and access to other investors, beginning</p> <p>23 with Frank, and -- and then we would do real</p> <p>24 estate -- do a real estate project together.</p>

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<p style="text-align: right;">Page 82</p> <p>1 Q. And it's your recollection that 2 because you felt that she became aggressive and 3 unstable, that you weren't interested in 4 pursuing the opportunity with them; is that 5 right?</p> <p>6 MR. GREEN: Object to form. 7 You can answer.</p> <p>8 A. That would -- yeah, that would 9 be the simple version of it.</p> <p>10 BY MR. MAHONEY:</p> <p>11 Q. Okay. And you think all that 12 took place by May of 2014?</p> <p>13 A. Yeah, I don't recall the exact 14 time frames. But there was a time when, you 15 know, her and Darbin had led a lot of 16 individuals to believe and trust in them in 17 connection with an assisted living company. 18 And everything wound up into constant fighting, 19 horrible, horrible accusations, quite similar 20 to the ones she's made of me. 21 And, you know, it was -- it was 22 disappointing that she behaved that way, but 23 not nearly as disappointing as it was that 24 Darbin would allow it.</p>	<p style="text-align: right;">Page 84</p> <p>1 A. That wasn't what you said 2 previously. But what you just said was true, 3 yes.</p> <p>4 MR. MAHONEY: Cam, let's take a 5 look at 220 and 221.</p> <p>6 MS. REDFERN: Together these 7 will be P-65. 8 --- 9 (Whereupon, Exhibit P-65 is 10 marked for identification.) 11 --- 12 BY MR. MAHONEY:</p> <p>13 Q. Mr. Billingsley, the first 14 document you're looking at here is an e-mail 15 from you to Mr. Miller. It's dated May 30th, 16 2014. And the subject is, "Pavlis Sub 17 Agreement - \$6 million." And the attachment is 18 the subscription agreement relating to 19 Mr. Pavlis' \$6 million investment in Allwest. 20 And you write here, "Dear Gary, 21 Please see the attached sub agreement for 22 Frank's six million. This is 100 percent of 23 what we need Frank to sign. Once we are 24 together we will need to work out the terms of</p>
<p style="text-align: right;">Page 83</p> <p>1 Q. Again, just so I have your 2 testimony. It's your understanding you had 3 many conversations with the Skeanses about 4 doing some sort of real estate investment 5 venture using Frank's money, but you decided 6 not to proceed with that rather than them 7 saying they weren't interested; is that your 8 testimony?</p> <p>9 A. No, that's not what I said.</p> <p>10 Q. Is it true?</p> <p>11 A. Is what true?</p> <p>12 Q. What I just said, is that true?</p> <p>13 You mentioned that there were multiple meetings 14 where there were discussions about some sort of 15 venture with the Skeanses and you using Frank's 16 money, but --</p> <p>17 A. That's true.</p> <p>18 Q. Okay. And you indicated that 19 nothing came to fruition because you didn't 20 want to proceed because you had concerns about 21 Debby's behavior?</p> <p>22 A. That's true.</p> <p>23 Q. Okay. I just wanted to make 24 sure I've got that down.</p>	<p style="text-align: right;">Page 85</p> <p>1 the note. The note is never signed by him 2 though as he is already subscribed to it. You 3 are the one that signs the note and then we 4 give Frank all the docs for his keeping." 5 So when you indicated here that, 6 "Once we are together we will need to work out 7 the terms of the note," what were you referring 8 to?</p> <p>9 A. Just the financial arrangements, 10 the economic relationships of the -- of the 11 project that we were contemplating.</p> <p>12 Q. So is it fair to say that as of 13 the time that Mr. Pavlis signed this second 14 subscription agreement with Allwest, that you 15 had not presented him yet with a note?</p> <p>16 A. I don't -- I don't read it to 17 say that.</p> <p>18 Q. I'm asking you, is that true?</p> <p>19 MR. GREEN: Object to form.</p> <p>20 A. Is what true, Mr. Mahoney?</p> <p>21 BY MR. MAHONEY:</p> <p>22 Q. When you had Mr. Pavlis sign the 23 subscription agreement for the \$6 million, did 24 you present him with a note corresponding with</p>

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<p style="text-align: right;">Page 86</p> <p>1 that \$6 million investment?</p> <p>2 A. I don't recall. I -- we</p> <p>3 presented many different documents with</p> <p>4 Mr. Pavlis. We talked about all kinds of</p> <p>5 documents. And they took many different shapes</p> <p>6 and forms and titles. I remember, you know,</p> <p>7 understanding the documents to be certain</p> <p>8 things, and the names would change.</p> <p>9 I remember at one point, our</p> <p>10 attorneys at Snell & Wilmer said, look, really</p> <p>11 what this is, is a funding agreement. It's not</p> <p>12 a note at all.</p> <p>13 So that, you know, we would use</p> <p>14 vernacular based upon our understanding, but</p> <p>15 we're not attorneys.</p> <p>16 Q. But presumably, because you</p> <p>17 mentioned several times how particular</p> <p>18 Mr. Pavlis was, presumably before he parted</p> <p>19 with another \$6 million, he would have wanted</p> <p>20 to know what the terms were of that</p> <p>21 arrangement, right? For example, what would be</p> <p>22 his rate of return?</p> <p>23 MR. GREEN: Object to form.</p> <p>24 A. And the question is what,</p>	<p style="text-align: right;">Page 88</p> <p>1 million were constant. We were constantly</p> <p>2 going -- I was constantly going down and</p> <p>3 talking with him about the new documents, the</p> <p>4 new documents.</p> <p>5 Again, you know, maybe this</p> <p>6 doesn't support your story line or the way you</p> <p>7 want to see it, but it was a very fluid</p> <p>8 arrangement. And Frank trusted that we would</p> <p>9 get it done right and that we would work with</p> <p>10 all of our -- all of our heart, of which I did.</p> <p>11 And that's -- that was the end result, was that</p> <p>12 it was a very fluid arrangement.</p> <p>13 Q. So your testimony is that</p> <p>14 Mr. Pavlis parted with \$6 million without</p> <p>15 knowing exactly what the repayment terms would</p> <p>16 be?</p> <p>17 MR. GREEN: Object to form.</p> <p>18 A. I don't -- I can't sit here and</p> <p>19 say what he knew or didn't know at the time.</p> <p>20 BY MR. MAHONEY:</p> <p>21 Q. Did you tell him exactly what</p> <p>22 the repayment terms would be? That's a pretty</p> <p>23 simple question.</p> <p>24 A. I believe I've answered it,</p>
<p style="text-align: right;">Page 87</p> <p>1 Mr. Mahoney?</p> <p>2 BY MR. MAHONEY:</p> <p>3 Q. The question is, did you discuss</p> <p>4 with Mr. Pavlis, for example, what his rate of</p> <p>5 return would be on this \$6 million investment</p> <p>6 before he agreed to make it?</p> <p>7 A. We -- we discussed hundreds of</p> <p>8 times be -- probably hundreds. Felt like</p> <p>9 hundreds.</p> <p>10 Q. I'm not interested in what --</p> <p>11 A. I wasn't finished answering the</p> <p>12 question, Mr. Mahoney.</p> <p>13 Q. Well, you're not answering the</p> <p>14 question, Mr. Billingsley.</p> <p>15 A. If given a chance, I might have.</p> <p>16 Q. I'm not interested in multiple</p> <p>17 discussions.</p> <p>18 I'm interested in, did you tell</p> <p>19 Mr. Pavlis, before he made this \$6 million</p> <p>20 investment, what the terms of the note would</p> <p>21 be?</p> <p>22 A. So what I was trying to say was,</p> <p>23 we had spoken many times before and many times</p> <p>24 after. The changes even after he wired the six</p>	<p style="text-align: right;">Page 89</p> <p>1 Mr. Mahoney. We spoke about many different</p> <p>2 iterations, many different versions, and it</p> <p>3 changed before and it changed after.</p> <p>4 Q. I'm talking about before he made</p> <p>5 the \$6 million investment, what was your</p> <p>6 understanding as to what the repayment terms</p> <p>7 would be on the note.</p> <p>8 I understand --</p> <p>9 MR. GREEN: Object to form.</p> <p>10 MR. MAHONEY: Let me finish.</p> <p>11 MR. GREEN: Okay.</p> <p>12 BY MR. MAHONEY:</p> <p>13 Q. I understand you're saying they</p> <p>14 changed down the road. I'm talking about at</p> <p>15 the time he decided -- or let's just say at the</p> <p>16 time he signed the subscription agreement.</p> <p>17 A. You're asking -- you're asking</p> <p>18 for the --</p> <p>19 Q. Did you tell him the terms of</p> <p>20 the note as of the time he signed the</p> <p>21 subscription agreement?</p> <p>22 A. No, I don't think it happened</p> <p>23 like that. I think it was, he felt that we</p> <p>24 were close enough in our understanding. He</p>

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<p style="text-align: right;">Page 90</p> <p>1 felt that he knew enough to send the money for 2 us to get started. We had signed several 3 documents, many documents. And I felt that he 4 felt -- I know that he felt very comfortable in 5 where things were. 6 MR. MAHONEY: Cam, next 221, 7 please, which is the second piece of 8 P-65. 9 BY MR. MAHONEY: 10 Q. All right. Mr. Billingsley, 11 this is a second subscription agreement. This 12 one is for \$6 million. 13 MR. MAHONEY: Cam, if you flip 14 through for a couple of pages. 15 BY MR. MAHONEY: 16 Q. Again, do you recognize the 17 writing on that page? 18 A. You're talking about at the top 19 of the page? 20 Q. Yes. Someone wrote "Frank 21 Pavlis." 22 Do you recognize that writing? 23 A. It looks like it could have been 24 my writing. I'm not certain. We had many</p>	<p style="text-align: right;">Page 92</p> <p>1 Q. Do you see where it says 2 two-year note, that box has been crossed off? 3 A. I see that, yes. 4 Q. So is it your understanding that 5 when Mr. Pavlis signed this, he was under the 6 impression that this note would mature in two 7 years? 8 MR. GREEN: Object to form. 9 A. I can't speak to what he 10 understood or he knew. I can tell you one of 11 the things that -- one of his agitants was that 12 he did not want the money to come back to his 13 estate. So he was constantly pushing for a 14 longer term, a longer term. Very annoyed and 15 worried about the investments maturing and 16 coming back to his estate and creating a tax to 17 him personally. 18 BY MR. MAHONEY: 19 Q. Walk me through that. Tell me 20 what you recall of his expression of that 21 concern. 22 A. I just did. Do you want me to 23 repeat it? 24 Q. Is there anything else you can</p>
<p style="text-align: right;">Page 91</p> <p>1 documents. 2 Q. Well, you don't have many 3 different types of writing, do you? 4 MR. GREEN: Object to form. 5 A. Oddly enough, you know, I do. 6 My wife always makes fun of me that I'll begin 7 writing a letter and end it with incredibly 8 different handwriting. 9 BY MR. MAHONEY: 10 Q. Do you recall meeting with 11 Mr. Pavlis and having him sign this 12 subscription agreement? 13 A. It -- it wouldn't surprise me. 14 We -- we met on many times and signed many 15 documents, many forms of different subscription 16 agreements. 17 Q. You'll see, by the way, this 18 purports to be a \$6 million face amount in 19 connection with a two-year note. 20 Do you see where -- 21 MR. MAHONEY: Cam, if you go 22 back. I'm sorry, that page would have 23 been fine, too. 24 BY MR. MAHONEY:</p>	<p style="text-align: right;">Page 93</p> <p>1 add? 2 A. It was his concern. He did not 3 want the money to come back to his personal 4 estate. In his expressions, he wanted the 5 money to pass to his trust at his death. 6 Q. Well, if that were the case, 7 then why is he apparently agreeing here or why 8 did you discuss with him a two-year note? 9 MR. GREEN: Object to form. 10 A. Yeah, I can only imagine it was 11 one of the things that he would have said. 12 This is fine for now. We'll have to change 13 this, at which I believe eventually we did. 14 BY MR. MAHONEY: 15 Q. You didn't think to put in 16 writing any of these discussions with 17 Mr. Pavlis? 18 You're talking about a fair 19 amount of money here, right, a total of 20 \$7 million? 21 MR. GREEN: Object to form. 22 BY MR. MAHONEY: 23 Q. And it didn't occur to you to 24 confirm what he was telling you so you had a</p>

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<p style="text-align: right;">Page 94</p> <p>1 record of it?</p> <p>2 A. To make a record of what he was</p> <p>3 telling me?</p> <p>4 Q. Yes.</p> <p>5 A. I mean, I would have had to have</p> <p>6 made a -- that would have been a pretty</p> <p>7 expansive record. I know Mr. Pavlis was pretty</p> <p>8 secret, pretty private. I believe that would</p> <p>9 have really annoyed him.</p> <p>10 Q. So it didn't occur to you after</p> <p>11 one of these meetings with Mr. Pavlis, when you</p> <p>12 went home, just to jot down a couple of notes</p> <p>13 to confirm what you discussed?</p> <p>14 MR. GREEN: Object to form.</p> <p>15 THE WITNESS: What was the</p> <p>16 question, Mr. Mahoney?</p> <p>17 BY MR. MAHONEY:</p> <p>18 Q. You're saying that it never</p> <p>19 occurred to you that even without him knowing</p> <p>20 about it, after one of these meetings, it never</p> <p>21 occurred to you just to take down some notes so</p> <p>22 that you would have a record yourself of what</p> <p>23 he wanted through these investments?</p> <p>24 MR. GREEN: Object to form.</p>	<p style="text-align: right;">Page 96</p> <p>1 me buying Allwest, me owning Allwest, and Gary</p> <p>2 retiring out of Allwest. But I -- I believe</p> <p>3 those conversations went away pretty quickly.</p> <p>4 And then we definitely settled into an</p> <p>5 understanding that everything would become Key.</p> <p>6 BY MR. MAHONEY:</p> <p>7 Q. Did he express any discomfort</p> <p>8 with the fact that even though you say you had</p> <p>9 this understanding that everything would become</p> <p>10 Key, that he was obligated or his company was</p> <p>11 obligated to pay back \$7 million worth of</p> <p>12 notes?</p> <p>13 MR. GREEN: Objection to form.</p> <p>14 A. I don't know what he was</p> <p>15 uncomfortable with.</p> <p>16 BY MR. MAHONEY:</p> <p>17 Q. I didn't ask you that. I asked</p> <p>18 you, did he tell you that?</p> <p>19 A. Did he tell me what?</p> <p>20 Q. That he was uncomfortable with</p> <p>21 the fact that his company was obligated, under</p> <p>22 these documents, the \$7 million repayment of</p> <p>23 notes?</p> <p>24 A. Uncomfortable with it? No. He</p>
<p style="text-align: right;">Page 95</p> <p>1 It's also argumentative.</p> <p>2 You can answer.</p> <p>3 A. Writing down things that he said</p> <p>4 without him knowing about it would have felt</p> <p>5 dishonest.</p> <p>6 BY MR. MAHONEY:</p> <p>7 Q. And by the way, is it your</p> <p>8 understanding that Gary Miller was aware that</p> <p>9 these two investments that Mr. Pavlis had made</p> <p>10 in his company weren't really intended to be</p> <p>11 for his company?</p> <p>12 MR. GREEN: Object to form.</p> <p>13 A. I don't know what Gary Miller</p> <p>14 knew.</p> <p>15 BY MR. MAHONEY:</p> <p>16 Q. Well, did you tell Gary Miller</p> <p>17 that the plan from the beginning was that Frank</p> <p>18 was going to invest \$7 million, or first a</p> <p>19 million and then six, in Allwest, but really he</p> <p>20 was investing in Key Commercial?</p> <p>21 MR. GREEN: Object to form.</p> <p>22 A. Yeah, I believe right back at</p> <p>23 the very beginning, there -- there could have</p> <p>24 been some discussion very, very early on about</p>	<p style="text-align: right;">Page 97</p> <p>1 was a seasoned business professional this way.</p> <p>2 He wanted things done quicker. He was trusting</p> <p>3 me and my legal team. And quite often got</p> <p>4 annoyed that things weren't done quick enough.</p> <p>5 But then as soon as we -- you</p> <p>6 know, we would try to get stuff done, he would</p> <p>7 want to make a change. So we would -- there</p> <p>8 was a lot of back and forth in the process as</p> <p>9 we went through the iterations.</p> <p>10 MR. MAHONEY: Cam, let's put up</p> <p>11 CHRON010, 10.</p> <p>12 MS. REDFERN: This one was</p> <p>13 previously marked P-2.</p> <p>14 BY MR. MAHONEY:</p> <p>15 Q. All right. Mr. Billingsley, P-2</p> <p>16 purports to be a confidential private placement</p> <p>17 memorandum for Key Commercial Finance, LLC,</p> <p>18 dated August 1, 2014.</p> <p>19 Are you familiar with this</p> <p>20 document?</p> <p>21 A. I had familiarity with the</p> <p>22 single page that I'm looking at.</p> <p>23 Q. Do you recall, as of August 1st,</p> <p>24 2014, Key Commercial Finance having a private</p>

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<p style="text-align: right;">Page 98</p> <p>1 placement memo?</p> <p>2 A. I seem to recall, yes.</p> <p>3 Q. Who prepared this memo, this</p> <p>4 PPM?</p> <p>5 A. It was mostly me.</p> <p>6 Q. How did you know what to put in</p> <p>7 it?</p> <p>8 A. I took examples from other PPMS</p> <p>9 I found. I took examples from the PPM that</p> <p>10 Wilson Sonsini had developed. I asked for some</p> <p>11 advice. Jeff Peterson had a lot of input on</p> <p>12 how to properly organize the thinking, risk</p> <p>13 factors, things like that. So a lot of</p> <p>14 different conversations with professionals</p> <p>15 around me and examples of documents that I had.</p> <p>16 MR. MAHONEY: Hold on for one</p> <p>17 second.</p> <p>18 - - -</p> <p>19 (Whereupon, a discussion was</p> <p>20 held off the record.)</p> <p>21 - - -</p> <p>22 BY MR. MAHONEY:</p> <p>23 Q. Did you have any attorney review</p> <p>24 this before you presented it to anyone?</p>	<p style="text-align: right;">Page 100</p> <p>1 recalled giving this to Mr. Pavlis. Did I?</p> <p>2 Q. I thought you did, but let's be</p> <p>3 clear.</p> <p>4 Did you provide this private</p> <p>5 placement memorandum to Mr. Pavlis?</p> <p>6 A. It seems to make sense. I don't</p> <p>7 recall. We looked at many versions of many</p> <p>8 documents.</p> <p>9 Q. Okay.</p> <p>10 A. It was a very long time ago.</p> <p>11 MR. MAHONEY: Cam, let's take a</p> <p>12 look at P-3, which is CHRON009.</p> <p>13 BY MR. MAHONEY:</p> <p>14 Q. Mr. Billingsley, this purports</p> <p>15 to be a subscription agreement of Key</p> <p>16 Commercial Finance, LLC, a Delaware Limited</p> <p>17 Liability Company, effective as of August 18th,</p> <p>18 2014.</p> <p>19 Do you recognize this document?</p> <p>20 And if you want to flip through it, feel free.</p> <p>21 A. And do you want me to tell you</p> <p>22 whether or not I recognize it?</p> <p>23 Q. Yes, I do.</p> <p>24 THE WITNESS: Cam, let me</p>
<p style="text-align: right;">Page 99</p> <p>1 A. I don't recall.</p> <p>2 Q. And what was the purpose of you</p> <p>3 preparing this private placement memo?</p> <p>4 A. In the hopes that -- that, you</p> <p>5 know, I would continue to be able to progress</p> <p>6 everything that I was working to progress on.</p> <p>7 I was looking to speak to many, many investors.</p> <p>8 And I was looking to speak to many great</p> <p>9 partners like Redwood, like Blue Mountain, in</p> <p>10 the hopes that I would be able to do what I was</p> <p>11 out to do.</p> <p>12 Q. Did you speak with other people</p> <p>13 besides Mr. Pavlis about this private placement</p> <p>14 memorandum?</p> <p>15 A. I believe I did, yes.</p> <p>16 Q. Who else do you recall speaking</p> <p>17 with about this private placement memorandum?</p> <p>18 A. About that private placement</p> <p>19 memorandum?</p> <p>20 Q. Yes.</p> <p>21 A. I don't recall.</p> <p>22 Q. You can't recall anyone other</p> <p>23 than Mr. Pavlis; is that right?</p> <p>24 A. I don't believe I said that I</p>	<p style="text-align: right;">Page 101</p> <p>1 request control, please.</p> <p>2 BY MR. MAHONEY:</p> <p>3 Q. Well, before we spend a lot of</p> <p>4 time, if you intend to read the whole thing,</p> <p>5 I'm going to stop you there.</p> <p>6 Do you recall having a</p> <p>7 subscription agreement prepared as of</p> <p>8 August 18th, 2014 for Key Commercial Finance?</p> <p>9 A. As of -- yeah, it seems to make</p> <p>10 sense that we did; yes.</p> <p>11 Q. And why did you prepare the</p> <p>12 subscription agreement?</p> <p>13 A. Because we were looking to do</p> <p>14 the business that we were focused on doing.</p> <p>15 Let me take some time,</p> <p>16 Mr. Mahoney. If you'd like me to speak to the</p> <p>17 specifics of this document, let me take some</p> <p>18 time to review it.</p> <p>19 Q. Yes. I'm not asking you to</p> <p>20 speak to the specifics of the document.</p> <p>21 A. But you just did.</p> <p>22 Q. No, I didn't. I asked you if</p> <p>23 you recalled the document. So I'm going to</p> <p>24 continue to ask questions.</p>

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<p style="text-align: right;">Page 102</p> <p>1 Who prepared this document?</p> <p>2 A. That's a good question. Let me</p> <p>3 take some time to review it and I'll let you</p> <p>4 know.</p> <p>5 (Pause)</p> <p>6 Yes, Mr. Mahoney, this looks</p> <p>7 like a document that I would have prepared.</p> <p>8 Q. I didn't catch the last part of</p> <p>9 what you said, Mr. Billingsley.</p> <p>10 A. Sorry. It looks like a document</p> <p>11 that I would have prepared.</p> <p>12 Q. Presumably, you prepared this on</p> <p>13 or before August 18th of 2014; is that right?</p> <p>14 A. I wouldn't be able to recall</p> <p>15 when I prepared it.</p> <p>16 Q. Well, if you prepared it, and</p> <p>17 the first page says, "Effective as of</p> <p>18 August 18, 2014," does that not indicate to you</p> <p>19 that you prepared this on or before August 18th</p> <p>20 of 2014?</p> <p>21 A. No, that doesn't indicate that</p> <p>22 to me at all.</p> <p>23 Q. Why would that not indicate that</p> <p>24 this was prepared as of that date?</p>	<p style="text-align: right;">Page 104</p> <p>1 Q. Well, I'll go back. Strike that</p> <p>2 for a second.</p> <p>3 So let's go through it. Go to</p> <p>4 the signature page, if you will, which is six</p> <p>5 or seven pages in.</p> <p>6 When did Mr. Pavlis sign this</p> <p>7 document?</p> <p>8 A. I don't recall.</p> <p>9 Q. Do you recognize his signature</p> <p>10 there?</p> <p>11 A. Which signature?</p> <p>12 Q. Well, there's only one signature</p> <p>13 by Mr. Pavlis.</p> <p>14 Do you recognize that as his</p> <p>15 signature?</p> <p>16 A. Do I recognize Frank's signature</p> <p>17 as his? Yes, I believe I do.</p> <p>18 Q. And is that your signature</p> <p>19 beneath his?</p> <p>20 A. Yes, it looks like it is.</p> <p>21 Q. And when do you recall signing</p> <p>22 this?</p> <p>23 A. Oh, I don't recall. We did this</p> <p>24 many times.</p>
<p style="text-align: right;">Page 103</p> <p>1 A. Because it's -- it could have</p> <p>2 easily been prepared quite a bit before.</p> <p>3 Q. Right. That's why I said on or</p> <p>4 before.</p> <p>5 A. It could have been prepared</p> <p>6 after.</p> <p>7 Q. Well, then why would you have an</p> <p>8 effective date of August 18th of 2014 if it was</p> <p>9 prepared after that date?</p> <p>10 A. I just don't remember this --</p> <p>11 the circumstances related to this. And you're</p> <p>12 asking me to testify under oath that I do. So</p> <p>13 my answer to you is that I -- I don't remember</p> <p>14 if this was prepared on or before or after</p> <p>15 August 18th.</p> <p>16 Q. And I'm asking you, why would</p> <p>17 you think it might be prepared after</p> <p>18 August 18th of 2014?</p> <p>19 A. Because as I've explained, we</p> <p>20 were under a very fluid document circumstance.</p> <p>21 Startups are very messy. I was working really</p> <p>22 hard to make sure Frank got exactly what he</p> <p>23 wanted. Frank was crystal clear on what he</p> <p>24 wanted. And changes were constantly made.</p>	<p style="text-align: right;">Page 105</p> <p>1 Q. I'm talking about this</p> <p>2 particular document.</p> <p>3 A. I just don't recall when we</p> <p>4 would have done this particular document.</p> <p>5 Q. Why did you have Mr. Pavlis sign</p> <p>6 this document?</p> <p>7 A. Because it was important to have</p> <p>8 documents in place with Mr. Pavlis.</p> <p>9 Q. Once you had Mr. Pavlis sign</p> <p>10 this document, what happened to the original?</p> <p>11 A. This is the original.</p> <p>12 Q. Well, in fairness, this is a</p> <p>13 copy that was produced in discovery.</p> <p>14 I'm asking if I wanted to find</p> <p>15 the actual document that had Mr. Pavlis' actual</p> <p>16 signature on it, where would I find that?</p> <p>17 A. I -- I don't understand. We</p> <p>18 produced it to you. We're looking at it.</p> <p>19 Q. No. I'm talking about the</p> <p>20 original. Mr. Pavlis presumably took a pen and</p> <p>21 signed his name, right?</p> <p>22 A. Yes.</p> <p>23 Q. Okay. Where would I find or</p> <p>24 where would you find that document that has his</p>

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<p style="text-align: right;">Page 106</p> <p>1 wet signature, if you will, his actual</p> <p>2 pen-to-paper signature?</p> <p>3 A. Oh, the paper version? When we</p> <p>4 converted to digital, all of the originals were</p> <p>5 made digital.</p> <p>6 Q. And then what did you do with</p> <p>7 the originals?</p> <p>8 A. I would imagine with all of our</p> <p>9 paperwork, it was discarded.</p> <p>10 Q. When did that take place?</p> <p>11 A. When did we dis -- we moved to</p> <p>12 different offices, we would become more and</p> <p>13 more paper light and more and more digital,</p> <p>14 until we got to the point where we were</p> <p>15 entirely digital. The paperwork just became</p> <p>16 too difficult to move from office to office.</p> <p>17 Q. Would there be some digital</p> <p>18 record of when a document such as this was</p> <p>19 converted into a digital format?</p> <p>20 A. Whatever was produced.</p> <p>21 Q. I'm asking you if you know</p> <p>22 whether there would be a digital footprint, if</p> <p>23 you will, that would show when this document</p> <p>24 was converted to a digital format for your</p>	<p style="text-align: right;">Page 108</p> <p>1 Company and it begins, "This Subscription</p> <p>2 Agreement of Key Commercial Finance, LLC, a</p> <p>3 limited liability company organized under the</p> <p>4 laws of Delaware, is entered into and made</p> <p>5 effective as of August 18th, 2014 by and among</p> <p>6 Frank Pavlis," and has his address, and it</p> <p>7 continues, "and all other persons or entities</p> <p>8 who shall execute and deliver this Agreement or</p> <p>9 authorized counterparts or facsimiles of the</p> <p>10 same pursuant to the provisions hereof."</p> <p>11 So as I read that, that purports</p> <p>12 to say that the agreement was entered into on</p> <p>13 August 18th of 2014.</p> <p>14 Do you have a reason to doubt</p> <p>15 that?</p> <p>16 A. I have a reason to doubt how you</p> <p>17 read it?</p> <p>18 Q. Do you have a reason to doubt</p> <p>19 that this was entered into on or about</p> <p>20 August 18th of 2014?</p> <p>21 A. If I have reason to doubt it.</p> <p>22 I -- I would be hesitant -- I</p> <p>23 think it makes sense to conclude that. Again,</p> <p>24 there were so many versions and so many</p>
<p style="text-align: right;">Page 107</p> <p>1 recordkeeping.</p> <p>2 A. I -- I don't know. We would</p> <p>3 have -- we would have one of our admins take a</p> <p>4 box of paperwork and -- and scan it down at the</p> <p>5 local Staples or scan it somewhere. I don't</p> <p>6 know what the process was. And we would upload</p> <p>7 it into digital files.</p> <p>8 Q. Now, let me ask you this: This</p> <p>9 document indicates that Key Commercial Finance</p> <p>10 was a Delaware Limited Liability Company. And</p> <p>11 if you go back to the first page of the</p> <p>12 subscription agreement --</p> <p>13 MR. MAHONEY: And, Cam, I don't</p> <p>14 know who's controlling it, but if</p> <p>15 somebody would go back to the first page</p> <p>16 of this document.</p> <p>17 THE WITNESS: Sure.</p> <p>18 MR. MAHONEY: And the next page,</p> <p>19 the actual agreement, please.</p> <p>20 There you go. Go back one.</p> <p>21 Okay.</p> <p>22 BY MR. MAHONEY:</p> <p>23 Q. So this document says that,</p> <p>24 again, Key is a Delaware Limited Liability</p>	<p style="text-align: right;">Page 109</p> <p>1 documents, but I -- I'm fine to be comfortable</p> <p>2 to say that -- that August 18th is a date.</p> <p>3 Q. Well, I understand it's a date.</p> <p>4 My question is, is it the date</p> <p>5 on or about which this agreement was made?</p> <p>6 A. Yeah, I don't -- I wouldn't say</p> <p>7 that that's when it was made. It could have --</p> <p>8 I could have accidentally or inadvertently</p> <p>9 failed to keep the dates crisp on the document.</p> <p>10 There were many versions and I'm not a lawyer.</p> <p>11 I had my lawyers to review this. They said it</p> <p>12 all looked fine.</p> <p>13 Q. Again, which lawyers reviewed</p> <p>14 this document?</p> <p>15 A. I believe Snell & Wilmer.</p> <p>16 Q. Okay.</p> <p>17 A. I also believe -- I also believe</p> <p>18 Martin Hewitt and I think Hillel also -- you</p> <p>19 know, we had lots of attorneys review this.</p> <p>20 Q. Why would you have three</p> <p>21 attorneys review it instead of just one?</p> <p>22 A. It was over the course of many</p> <p>23 years. It wasn't -- you know, again, I note</p> <p>24 your story line wants to make everything happen</p>

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<p style="text-align: right;">Page 110</p> <p>1 in a crisp moment to find a definitive serial 2 thrust that you're looking for. But this was 3 over the course of many years and many 4 attorneys being hired and engaged. And every 5 time an attorney or a firm would get engaged, 6 they would want to know the backstory and 7 understanding. And this was part of that. 8 Q. Well, that may be you explaining 9 things to attorneys. But in terms of someone 10 saying, yes, this document is good and it could 11 be signed, is it your testimony that multiple 12 attorneys were involved in that process? 13 A. In reviewing documents before 14 they were signed? 15 Q. Yes. 16 A. I don't recall having those 17 discussions. 18 Q. And once Mr. Pavlis signed this 19 document, you indicated that you had the paper 20 agreement for some period of time. 21 Did you leave a copy with 22 Mr. Pavlis? 23 A. Yeah, for a long time, he had 24 a -- a big binder with everything in it.</p>	<p style="text-align: right;">Page 112</p> <p>1 binder? 2 A. Every piece of paperwork we had, 3 it was converted to digital. 4 Q. Did you tell Mr. Pavlis that you 5 were discarding the originals after you had 6 converted documents to digital? 7 A. I don't remember having that 8 conversation. 9 Q. Is it fair to say, though, that 10 when you did convert to digital, you just took 11 the documents, and whoever it was scanned them 12 as they were and uploaded them to some digital 13 storage facility or platform? 14 A. Whatever was produced is what -- 15 is what it was. 16 Q. So let's go back to the 17 signature page on this. 18 Now, the document purports to be 19 a subscription agreement between Mr. Pavlis and 20 Key Commercial Finance, which, of course, 21 didn't exist in August of 2014, correct? 22 MR. GREEN: Object to form. 23 BY MR. MAHONEY: 24 Q. You're aware of that, right,</p>
<p style="text-align: right;">Page 111</p> <p>1 Q. Now, you say, "for a long time." 2 To your knowledge, did there come a time when 3 he no longer had that binder? 4 A. Yeah, he -- I don't recall all 5 the exact specifics. But if I can remember 6 right, he was looking to get ready to move over 7 to the Skeanses' business opportunity at 8 Legacy. And that had delayed so, so many 9 times. But in him trying to get ready and 10 prepare, he was extremely careful about those 11 types of things. He wanted me to pick the 12 documents up and keep them in our office. 13 Q. When do you recall Mr. Pavlis 14 asking you to pick up his binder of documents 15 and keeping them at your office? 16 A. I don't recall. It was sometime 17 in -- sometime in that time frame. 18 Q. You can't even give me a year? 19 A. No. It shouldn't be hard to 20 figure out. It's whenever he was -- I don't 21 know. Maybe six months to 12 months before he 22 was moving over to Legacy Place. I just don't 23 recall the details. 24 Q. What did you do with that</p>	<p style="text-align: right;">Page 113</p> <p>1 Mr. Billingsley? 2 A. I don't recall the dates. We 3 had attorneys involved. I was relying on the 4 attorneys to do their jobs. 5 Q. Right. Okay. So this document 6 says, "The undersigned hereby represents and 7 warrants that all of its answers to this 8 Investor Questionnaire are true as of the date 9 of its execution of the Subscription Agreement 10 pursuant to which it purchased Notes of the 11 Company." 12 Do you see that? 13 A. I see that. 14 Q. Okay. So this, by definition, 15 the signature page relates to an investor 16 questionnaire, not a subscription agreement. 17 Can you explain that? 18 MR. GREEN: Object to form. 19 A. I don't read it that way. It 20 says, "execution of the Subscription 21 Agreement." 22 BY MR. MAHONEY: 23 Q. Okay. So even though it says, 24 "The undersigned hereby represents and warrants</p>

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<p style="text-align: right;">Page 122</p> <p>1 fluid environment where there were many, many 2 documents, many, many trips. That when we 3 would decide to sign a version, then we would 4 sign it. And this is what I believe happened 5 in this case. And then we would have more 6 documents and then we would sign those, and 7 then things would change. 8 Q. Isn't it true, Mr. Billingsley, 9 that you created this document in 2018 in 10 response to my request for documents relating 11 to Mr. Pavlis' investments? 12 MR. GREEN: Object to the form. 13 BY MR. MAHONEY: 14 Q. Is that true? 15 A. That I created this document? 16 That's -- that's not true. 17 Q. So you didn't create this 18 document or any other documents in response to 19 my request for them in 2018? Is that your 20 testimony? 21 A. I sent you documents that I had. 22 Q. And my question is, when you 23 sent them -- and I'll represent to you you sent 24 this in June of 2018.</p>	<p style="text-align: right;">Page 124</p> <p>1 So you're saying that you didn't 2 create them in 2018; is that right? 3 A. No, I did not create these 4 documents for the first time in 2018; no. 5 Q. And would your answer be the 6 same if I asked you about the private placement 7 memorandum that we looked at earlier today that 8 was purportedly dated August 1st of 2014? 9 Did you create that document in 10 or around June of 2018 or was that document 11 created in or around August of 2014? 12 A. That was definitely at the time 13 that the document was useful is when -- when it 14 was created. We were constantly working on 15 documents. Jeff Peterson was working with me. 16 Silberman was working with me. Don Bivens. 17 You know, yeah, there was lots of documents. 18 There's not -- there's no chance that I created 19 documents to send you in 2018. 20 MR. MAHONEY: All right. Cam, 21 we're done with this. Thank you. 22 Cam, can we look at CHRON101, 23 which was previously marked as P-4. 24 BY MR. MAHONEY:</p>
<p style="text-align: right;">Page 123</p> <p>1 My question is, did you create 2 those documents in or around June of 2018 or 3 are you saying that you simply found them in 4 your digital storage file, or whatever you call 5 it, and provided them to me? 6 MR. GREEN: I'll object to form. 7 You can answer. 8 A. Explain that I created them, 9 Mr. Mahoney. What does that mean? 10 BY MR. MAHONEY: 11 Q. Yes, it means they didn't exist 12 before June of 2018. And then they existed 13 before you sent them to me in June of 2018. 14 A. How could anybody conclude such 15 a ridiculous thought? There is incredible 16 amounts of evidence and proof that there were 17 many, many versions of documents. Why -- why 18 would I not have documents? Why would I need 19 to create them, when I had so many documents 20 and I had legal counsel involved? Why would I 21 do that? What's . . . ? 22 Q. Well, this is one-way street, 23 Mr. Billingsley. I ask the questions. You 24 give the answers.</p>	<p style="text-align: right;">Page 125</p> <p>1 Q. All right. Mr. Billingsley, 2 this is a copy of what purports to be a 3 \$3 million convertible promissory note dated 4 September 1, 2014 from Key Commercial Finance, 5 LLC to Mr. Pavlis. 6 Tell me when this document was 7 created, please. 8 A. I don't recall. 9 Q. Was it created on or before 10 September 1 of 2014? 11 A. I would believe it was. We were 12 working on these documents months before that. 13 Q. Months before. So you started 14 the process of drafting a promissory note 15 months before September of 2014; is that right? 16 A. Correct. 17 Q. Do you recall presenting this to 18 Mr. Pavlis for signature? 19 I take that back. In fairness, 20 the note is not signed by Mr. Pavlis. The 21 corresponding note purchase agreement is. 22 Do you recall having or 23 presenting Mr. Pavlis with a copy of the note 24 and the note purchase agreement for his</p>

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<p style="text-align: right;">Page 130</p> <p>1 more time to hit request?</p> <p>2 THE WITNESS: Okay. Thank you.</p> <p>3 (Pause)</p> <p>4 A. So, Mr. Mahoney, you'd like to</p> <p>5 know who prepared this document?</p> <p>6 BY MR. MAHONEY:</p> <p>7 Q. That's the question.</p> <p>8 A. I worked largely with Jeff</p> <p>9 Peterson and Michael Silberman on preparing</p> <p>10 this document.</p> <p>11 Q. Why would they have any role in</p> <p>12 preparing a document on behalf of Key</p> <p>13 Commercial Finance?</p> <p>14 A. Everything was working together</p> <p>15 at that time. We were working to have JV</p> <p>16 structures, JV opportunities between -- across</p> <p>17 all the entities that were involved with Mobile</p> <p>18 Corporation, Key Commercial Finance. We were</p> <p>19 looking for good opportunities to be together.</p> <p>20 Q. Well, the word "Mobile" is not</p> <p>21 mentioned in this document.</p> <p>22 So, again, why would they have</p> <p>23 any role in preparing it?</p> <p>24 A. That was the intent, was that we</p>	<p style="text-align: right;">Page 132</p> <p>1 Why wasn't this note made for</p> <p>2 \$7 million?</p> <p>3 A. I forget all the details that</p> <p>4 were -- we were working with Frank. Frank was</p> <p>5 very particular about all of these details. I</p> <p>6 could have answered that question very well</p> <p>7 maybe five or six years ago. I don't remember</p> <p>8 all the details that influenced that decision</p> <p>9 now.</p> <p>10 Q. This purports to be a note that</p> <p>11 would pay Mr. Pavlis eight percent annually for</p> <p>12 a period of five years. But the interest would</p> <p>13 not be paid until the end of the five-year</p> <p>14 period.</p> <p>15 Is that your understanding?</p> <p>16 A. I -- I don't recall. If you</p> <p>17 would like me to work through the document, I</p> <p>18 can verify that.</p> <p>19 Q. No. I'm going to ask you to</p> <p>20 accept the representation that I made that</p> <p>21 that's what it says.</p> <p>22 And my question is this: How</p> <p>23 did you come up with eight percent interest</p> <p>24 annually, but payable at the end of five years?</p>
<p style="text-align: right;">Page 131</p> <p>1 would be working together in the future in all</p> <p>2 of this work.</p> <p>3 Q. So whose idea was it to have</p> <p>4 this note be dated September 1, 2014? Why that</p> <p>5 date?</p> <p>6 A. Dated what date?</p> <p>7 Q. The note itself is dated</p> <p>8 September 1, 2014.</p> <p>9 A. Yeah, it just would have been</p> <p>10 the organic process that was happening with</p> <p>11 Frank in all of the business operations at that</p> <p>12 time.</p> <p>13 Q. Well, by this point, Mr. Pavlis</p> <p>14 had already invested \$7 million in Allwest,</p> <p>15 correct?</p> <p>16 A. No, I've never agreed to that.</p> <p>17 Q. Oh, that's right. It's your</p> <p>18 view that he actually invested in Key</p> <p>19 Commercial, right?</p> <p>20 A. That was his intent, was that</p> <p>21 there would be a broader, bigger picture,</p> <p>22 bigger project.</p> <p>23 Q. So by this point, the \$7 million</p> <p>24 had left Mr. Pavlis' possession.</p>	<p style="text-align: right;">Page 133</p> <p>1 A. I had worked with, you know,</p> <p>2 everyone that was in our world at that time. I</p> <p>3 know that the -- the pref payment of eight</p> <p>4 percent, preferred payment of eight percent,</p> <p>5 was something that was very standard with Greg,</p> <p>6 Greg Owen, and his portfolio. It was something</p> <p>7 that Gary had used a lot with his work at</p> <p>8 Landsmith, with the 30, 40, \$50 million that</p> <p>9 they were working.</p> <p>10 Jeff had said that it was a good</p> <p>11 rate, it was a healthy relationship, way to</p> <p>12 structure the relationship. And I remember</p> <p>13 talking to the guys at Snell & Wilmer about it,</p> <p>14 and they said it makes sense, also.</p> <p>15 Q. Now, again, Key Commercial</p> <p>16 Finance, LLC did not exist as a corporate</p> <p>17 entity as of September 1, 2014. And by</p> <p>18 definition, it had no business operations up</p> <p>19 and to that point, correct?</p> <p>20 MR. GREEN: Objection. Calls</p> <p>21 for a legal conclusion.</p> <p>22 BY MR. MAHONEY:</p> <p>23 Q. You can answer.</p> <p>24 A. I remember my attorneys had</p>

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<p style="text-align: right;">Page 134</p> <p>1 instructed me and advised me that we absolutely</p> <p>2 could conduct business and be very engaged in</p> <p>3 business. And that the formality of document</p> <p>4 filings shouldn't stop or impede us doing work</p> <p>5 and business.</p> <p>6 Q. Okay. But as a person involved</p> <p>7 in that business, didn't you have some interest</p> <p>8 in getting all of this done the right way?</p> <p>9 MR. GREEN: Objection, form.</p> <p>10 A. I believe it absolutely was done</p> <p>11 the right way.</p> <p>12 BY MR. MAHONEY:</p> <p>13 Q. Apart from trying to document</p> <p>14 Mr. Pavlis' investment, what other business was</p> <p>15 Key Commercial in as of September 1 of 2014?</p> <p>16 A. I was attempting many, many</p> <p>17 business endeavors. As we previously</p> <p>18 discussed, I was working to engage with larger</p> <p>19 JV groups, with Redwood and Blue Mountain, I</p> <p>20 believe many others. We were looking to</p> <p>21 comfortably -- I was working hard to position</p> <p>22 Key to be involved in a public -- Mobile</p> <p>23 Corporation going public.</p> <p>24 Mobile Corporation, we had made</p>	<p style="text-align: right;">Page 136</p> <p>1 that --</p> <p>2 Q. I didn't ask you that question.</p> <p>3 THE COURT REPORTER: I'm sorry,</p> <p>4 you cut out.</p> <p>5 MR. MAHONEY: That's all right.</p> <p>6 BY MR. MAHONEY:</p> <p>7 Q. It's a yes or no question,</p> <p>8 Mr. Billingsley.</p> <p>9 As of September 1, 2014, had Key</p> <p>10 Commercial Finance generated any revenue?</p> <p>11 A. I -- as of 2014, generated --</p> <p>12 Q. I'm sorry, as of September 1,</p> <p>13 2014.</p> <p>14 A. Yeah, I don't recall. We could</p> <p>15 have. I don't recall.</p> <p>16 Q. What exactly was Key Commercial</p> <p>17 Finance's business?</p> <p>18 A. So the -- the large scale</p> <p>19 structure was through the means of flipping,</p> <p>20 buying, remodeling and selling, to -- to have</p> <p>21 good revenue generation, steady revenue</p> <p>22 generation, that the capital would then be used</p> <p>23 and any possible revenues that could be</p> <p>24 generated would be used to develop a technology</p>
<p style="text-align: right;">Page 135</p> <p>1 arrangements for their very high valued brand</p> <p>2 called Mobile.agency to be part of the Key</p> <p>3 ecosystem, which would perfectly position us</p> <p>4 for acquisition by Mobile Corporation when</p> <p>5 Mobile Corporation went public and they had</p> <p>6 liquidity to do so.</p> <p>7 I was working and very excited</p> <p>8 about potentials with the Skeanses previous.</p> <p>9 You know, we were -- that's a very long list of</p> <p>10 opportunities that I was working to develop.</p> <p>11 Q. As of September 1 of 2014, did</p> <p>12 Key Commercial Finance have a bank account?</p> <p>13 A. I don't recall. That was --</p> <p>14 that was Chad's work. I left the</p> <p>15 administrative work to Chad. We -- we had</p> <p>16 this -- we worked hard in our lanes.</p> <p>17 Q. As of September 1, 2014, do you</p> <p>18 know whether Key Commercial Finance had</p> <p>19 generated any revenue whatsoever as a result of</p> <p>20 its operations?</p> <p>21 A. I don't -- I don't believe</p> <p>22 revenue has anything to do with a viable</p> <p>23 business opportunity. LinkedIn didn't generate</p> <p>24 a penny of revenue for seven years after</p>	<p style="text-align: right;">Page 137</p> <p>1 platform for the real estate industry.</p> <p>2 Q. Did you explain that to</p> <p>3 Mr. Pavlis?</p> <p>4 A. Oh, yes. Frank was -- was very</p> <p>5 interested in technology, which is, I'm sure,</p> <p>6 what led him to invest in Mobile Corporation.</p> <p>7 Frank agreed with me that the</p> <p>8 real estate industry was ripe for massive</p> <p>9 disruption through technology and the ability</p> <p>10 to -- to create a much more organized market.</p> <p>11 Q. You said that Mr. Pavlis was</p> <p>12 very interested in technology?</p> <p>13 A. Yeah. The investment</p> <p>14 opportunity with technology, yeah. He saw it</p> <p>15 as --</p> <p>16 Q. You have to -- I'm sorry, finish</p> <p>17 your response, please.</p> <p>18 A. He saw it as a -- as an</p> <p>19 attractive investment opportunity.</p> <p>20 Q. What did he say to you that led</p> <p>21 you to believe that?</p> <p>22 A. His, you know, constant reading</p> <p>23 all of his magazines, newspapers. He would</p> <p>24 talk about opportunities inside technology</p>

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<p style="text-align: right;">Page 138</p> <p>1 investments. I remember him educating me 2 extensively on technology investments related 3 to ETFs, which he invested in a lot. And he 4 was very attracted to, you know, potential 5 opportunities with technology investments. 6 Q. You're aware the man never even 7 had a computer, right? 8 A. Oh, yeah. I thought it was 9 ironic and awesome that he understood things 10 the way he did, given that he was not a user in 11 any respect. Just awesome. 12 MR. MAHONEY: Okay. Sure. 13 Cam, let's go down to the 14 signature page of this note. 15 BY MR. MAHONEY: 16 Q. Mr. Billingsley, this purports 17 to be signed by Michael Silberman on behalf of 18 Key Commercial Finance, LLC, as executive vice 19 president. 20 How is it that Mr. Silberman's 21 signature came to be on this document? 22 A. Yeah, you'll have to ask Jeff. 23 Q. Well, I'm asking you. 24 A. I didn't collect the signature</p>	<p style="text-align: right;">Page 140</p> <p>1 president. 2 "How is it that Mr. Silberman's 3 signature came to be on this document? 4 "ANSWER: Yeah, you'll have to 5 ask Jeff. 6 "QUESTION: Well, I'm asking 7 you.") 8 - - - 9 BY MR. MAHONEY: 10 Q. So what's your understanding as 11 to why Mr. Silberman's name appears on this 12 note as executive vice president of Key 13 Commercial Finance? 14 MR. GREEN: Well, objection to 15 the form. I think he answered that. 16 MR. MAHONEY: Yes, I don't think 17 he did. 18 BY MR. MAHONEY: 19 Q. But answer my question, please. 20 A. Mr. Mahoney, will you interrupt 21 me again? 22 Q. If you don't answer my question, 23 I surely will, yes. 24 So --</p>
<p style="text-align: right;">Page 139</p> <p>1 from Michael. Jeff Peterson did. We were 2 working. I was -- I was very attracted to the 3 opportunity with Mobile Corp. creation. Who in 4 the world wouldn't be with a public company 5 CEO, if it had a company that he took up to 6 half a billion dollar market cap, traded on the 7 NASDAQ and the S&P, had massive liquidity event 8 and was able to garnish extraordinary support 9 from unbelievably reputable and powerful 10 profiles like Alan Bersin, who was then the 11 assistant secretary -- 12 Q. I'm going to interrupt you -- 13 A. -- of Homeland Security -- 14 Q. I'm going to interrupt you 15 because you're not answering my question. 16 MR. MAHONEY: Cheryl, please 17 read back the question. 18 - - - 19 (Whereupon, the court reporter 20 read back the following: 21 "QUESTION: Mr. Billingsley, 22 this purports to be signed by Michael 23 Silberman on behalf of Key Commercial 24 Finance, LLC, as executive vice</p>	<p style="text-align: right;">Page 141</p> <p>1 A. Would you prefer my questions 2 (sic) be brief according to your opinion or 3 would you like the truth? 4 Q. I'd like you to answer my 5 questions. 6 So let me go at it this way: 7 When did Mr. Silberman become the executive 8 vice president in Key Commercial Finance? 9 A. So there's a bigger answer to 10 your question, although I'm sure that, again, 11 it doesn't paint your story well. 12 Q. No. I'd just like the answer to 13 the question that I put to you. 14 When did he become executive 15 vice president of Key Commercial Finance, LLC? 16 MR. GREEN: Object to form. 17 A. So as I was explaining, there 18 were lots of reasons why I was relying upon 19 Jeff to gather this signature to help with the 20 document development. The time of which 21 Michael became executive vice president, you 22 know, he was -- it was never something 23 incredibly formal. It was Jeff required it. 24 Jeff said if we're going to do this, let's do</p>

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<p style="text-align: right;">Page 142</p> <p>1 it right. He trusted Silberman as CFO of</p> <p>2 Quepasa when it went public back in '99, 2000.</p> <p>3 And he wanted Silberman to -- to be -- if we</p> <p>4 were going to continue to develop in the way</p> <p>5 that we were planning and moving, he wanted</p> <p>6 Silberman to be involved that way.</p> <p>7 It made good sense to me.</p> <p>8 Silberman was a highly trained licensed CPA,</p> <p>9 skillful, very skillful man. So for a time,</p> <p>10 there was an informal understanding and</p> <p>11 acceptance by everyone that -- that he was the</p> <p>12 executive vice president.</p> <p>13 BY MR. MAHONEY:</p> <p>14 Q. So it's your testimony that he</p> <p>15 was executive vice president for an LLC that</p> <p>16 didn't exist yet.</p> <p>17 Over how long a period of time</p> <p>18 was this?</p> <p>19 MR. GREEN: Object to the form.</p> <p>20 BY MR. MAHONEY:</p> <p>21 Q. You can answer.</p> <p>22 A. I don't agree with any of that.</p> <p>23 Q. Okay. How long was he the</p> <p>24 executive vice president of Key Commercial</p>	<p style="text-align: right;">Page 144</p> <p>1 A. The different entities that were</p> <p>2 being formed and developed. And everyone was</p> <p>3 trying hard to get Mobile to take its -- to go</p> <p>4 public, its public filing. It's qualified for</p> <p>5 it.</p> <p>6 I was trying hard to be in the</p> <p>7 right position at the right time with Key</p> <p>8 Commercial Finance. So there was -- there was</p> <p>9 lots of back and forth with everything we were</p> <p>10 all trying to do.</p> <p>11 Q. You indicated that Mr. Peterson</p> <p>12 wanted this done correctly, right?</p> <p>13 A. I believe Jeff worked really</p> <p>14 hard to do everything correctly, yeah.</p> <p>15 Q. So if you had all of this back</p> <p>16 and forth that if Mr. Silberman, through</p> <p>17 Mr. Peterson, signed off as executive vice</p> <p>18 president of Key Commercial, can you explain to</p> <p>19 me why there was not a single e-mail up to and</p> <p>20 including September 1 of 2014 between or among</p> <p>21 you or either of those gentlemen that make any</p> <p>22 reference to this?</p> <p>23 MR. GREEN: I have an objection</p> <p>24 to form.</p>
<p style="text-align: right;">Page 143</p> <p>1 Finance?</p> <p>2 A. I don't recall. It was brief.</p> <p>3 Q. Why was it brief? If this was</p> <p>4 all a plan to work with or for Mobile, why did</p> <p>5 he not continue for nothing other than a brief</p> <p>6 period of time?</p> <p>7 A. Things were becoming uncertain</p> <p>8 in Mobile. Things were degrading at Mobile and</p> <p>9 beginning to erode. And at the right time, I</p> <p>10 no longer deemed it appropriate, for -- for Key</p> <p>11 Commercial Finance, for Michael to be involved</p> <p>12 that way.</p> <p>13 Q. Did Key Commercial pay Michael</p> <p>14 Silberman any money in connection with his role</p> <p>15 as executive vice president?</p> <p>16 A. I don't recall. I know we --</p> <p>17 there was a lot of back and forth, a lot of the</p> <p>18 monies that we paid attorneys. It wouldn't</p> <p>19 surprise me at all if -- if Michael was</p> <p>20 compensated through just the -- you know, all</p> <p>21 of the goings-on that was happening at that</p> <p>22 point.</p> <p>23 Q. What does that mean, "all of the</p> <p>24 goings-on"?</p>	<p style="text-align: right;">Page 145</p> <p>1 A. I don't -- I don't think it's</p> <p>2 appropriate or healthy to conclude that there</p> <p>3 wasn't a single e-mail. I -- again, as I've</p> <p>4 made it clear, e-mails were a very almost</p> <p>5 infinitesimal small fraction of the</p> <p>6 communication that happened.</p> <p>7 BY MR. MAHONEY:</p> <p>8 Q. Do you have any idea how many</p> <p>9 e-mails you produced in discovery in this case,</p> <p>10 or I should say the defendants produced?</p> <p>11 A. I would imagine thousands upon</p> <p>12 thousands. I don't know.</p> <p>13 Q. So how is it that either</p> <p>14 Mr. Silberman or Mr. Peterson got this signed</p> <p>15 document back to you so you could present it to</p> <p>16 Frank?</p> <p>17 A. I don't recall. There was lots</p> <p>18 of documents. It was a highly active time. I</p> <p>19 don't recall the particulars on that.</p> <p>20 Q. Well, if he sent it by mail with</p> <p>21 a cover letter, would you have kept the cover</p> <p>22 letter?</p> <p>23 A. I don't recall. It was --</p> <p>24 again, if this was important, somebody should</p>

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<p style="text-align: right;">Page 146</p> <p>1 have asked years ago. It's been so many years, 2 I don't know. 3 Q. If it was important, don't you 4 think you should have kept everything? 5 MR. GREEN: Object to form. 6 A. Well, that would be you assuming 7 I didn't. 8 BY MR. MAHONEY: 9 Q. Okay. Now around the same time, 10 September of 2014, Mr. Pavlis invested 11 \$2 million in Mobile Corp., correct? 12 A. Yeah, I don't -- I don't have a 13 clear memory as to when that happened. That 14 sounds about the right time. 15 Q. Okay. 16 A. There should be documents for 17 it. 18 Q. Yes. Why did Mr. Pavlis, to 19 your knowledge, invest -- and it was two 20 separate investments, one at the beginning of 21 September, one at the end of September 2014. 22 To your knowledge, why did he 23 invest \$2 million in Mobile Corp.? 24 A. Well, as I mentioned, he was</p>	<p style="text-align: right;">Page 148</p> <p>1 you believe somebody other than you was 2 involved in soliciting his decision to invest 3 in Mobile Corp. 4 MR. GREEN: Object to form. 5 You can answer. 6 A. Yeah. He had interaction with 7 others. I would -- I would assume that those 8 conversations happened there. 9 BY MR. MAHONEY: 10 Q. How do you know he had 11 interactions with others about Mobile Corp.? 12 A. I'm drawing that conclusion from 13 the fact that \$500,000 was sent back from 14 Wilson Sonsini to Mr. Pavlis. I had no -- I 15 had no idea of that. So, obviously, there was 16 a lot of coordination going on there with 17 Mr. Pavlis from the Mobile Corp. guys. 18 Q. So your testimony is based upon 19 an inference you're making from something that 20 happened back in April or so of 2013; is that 21 right? 22 MR. GREEN: Object to form. 23 THE WITNESS: I don't understand 24 the question.</p>
<p style="text-align: right;">Page 147</p> <p>1 attracted to the opportunity. He was attracted 2 to all the details and profiles involved. 3 You would have to ask those that 4 solicited and serviced that investment, though, 5 if you want a precise answer. 6 Q. Okay. So I presume from that, 7 that you believe you did not solicit or service 8 it. So who did? 9 A. How it was explained to me was 10 that the law firm of Wilson Sonsini was acting 11 as the -- as the registered representative in 12 that respect to talk to investors and speak 13 with them about those details. 14 Q. Are you saying that you didn't 15 speak with Mr. Pavlis about investing in Mobile 16 Corp.? 17 A. I spoke to many, many people 18 about Mobile Corporation. 19 Q. I'm only interested in one 20 person, Mr. Pavlis. 21 A. Did I speak with him about 22 investing? Define speak to. I introduced 23 Mobile Corp., and we talked about Mobile Corp. 24 Q. So tell me how it is then that</p>	<p style="text-align: right;">Page 149</p> <p>1 BY MR. MAHONEY: 2 Q. Yes. Well, you made reference 3 to the fact that \$500,000 went back to 4 Mr. Pavlis. 5 A. That was what you said. 6 Q. And you're saying you don't know 7 anything about that; is that right? 8 A. I don't; that's correct. 9 Q. So I'm talking about September 10 of 2014. So why would you assume that other 11 people spoke with Mr. Pavlis and solicited that 12 investment? 13 A. Oh, because that was a very big 14 part of their operation requirements, is that 15 there had to be lots of due diligence and 16 discussion with the investors, of which they 17 did. 18 Q. Were you party to any 19 conversations between Mr. -- or involving 20 Mr. Pavlis and anybody on behalf of Mobile? 21 A. I don't recall. 22 Q. Isn't it true that you were the 23 point person for these investments? 24 MR. GREEN: Object to form.</p>

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<p style="text-align: right;">Page 150</p> <p>1 A. Yeah, I don't believe so. I 2 believe that I would make an introduction and 3 then the experts would do their job. 4 BY MR. MAHONEY: 5 Q. Okay. But just so I'm clear, 6 are you stating that as a matter of fact or is 7 that an assumption? 8 I know the part about making the 9 introduction, I get. But when you say the 10 experts doing their job, do you know that that 11 took place or is that an assumption? 12 A. I believe it took place. 13 Q. Okay. Do you recall having 14 communications with Mr. Silberman regarding the 15 documents going to you so you could present 16 them to Mr. Pavlis? 17 A. I remember some discussions back 18 and forth about finished documents, completed 19 documents. If I recall, he wanted me to give 20 them to Frank. 21 Q. Give the completed documents? 22 A. Pardon me? 23 Q. That somebody wanted you to give 24 the completed documents to Mr. Pavlis?</p>	<p style="text-align: right;">Page 152</p> <p>1 pronouncing that correctly. 2 Do you know any of those 3 gentlemen? 4 A. I seem to remember that those 5 were attorneys at Wilson Sonsini. 6 Q. And Mr. Silberman -- and in 7 fairness, you were not copied on this. But 8 Mr. Silberman writes, on September 26th, "Frank 9 making another \$1 million investment. Please 10 prepare new docs for that investment. E-mail 11 only direct to Justin. Not Frank." 12 Do you recall any discussion 13 with Mr. Silberman about you getting these 14 documents and not them going directly to Frank? 15 A. Yeah. I remember that he was 16 worried to make sure it was done right, because 17 Frank didn't have an e-mail address. So he was 18 worried to make sure that it was all going to 19 get to Frank as it should be and -- and called 20 me to make sure that I was getting it done 21 right. 22 Q. But I thought you said a moment 23 ago that you only recall getting the completed 24 documents from Mobile?</p>
<p style="text-align: right;">Page 151</p> <p>1 A. That's -- that's all I can 2 recall. 3 MR. MAHONEY: Cam, I'm sorry, it 4 just occurred me. You can take this 5 document down now. 6 BY MR. MAHONEY: 7 Q. Did Mr. Pavlis ever tell you who 8 he spoke with on behalf of Mobile about these 9 investments? 10 A. I remember talking with Frank 11 about these topics. I don't recall him 12 mentioning names. 13 MR. MAHONEY: Cam, put up 14 document 246, please. 15 MS. REDFERN: This will be P-66. 16 --- 17 (Whereupon, Exhibit P-66 is 18 marked for identification.) 19 --- 20 BY MR. MAHONEY: 21 Q. Mr. Billingsley, this is an 22 e-mail dated September 26th of 2014 from 23 Mr. Silberman to a gentleman named Jonathan 24 Beecher, Tim Ingram and Omar Alam, if I'm</p>	<p style="text-align: right;">Page 153</p> <p>1 MR. GREEN: Object to form. 2 A. In my opinion, that's what he's 3 talking about. 4 MR. MAHONEY: Okay. Cam, put up 5 249, please. 6 MS. REDFERN: This is P-67. 7 --- 8 (Whereupon, Exhibit P-67 is 9 marked for identification.) 10 --- 11 BY MR. MAHONEY: 12 Q. Mr. Billingsley, this is another 13 e-mail from September 26th of 2014. This one 14 from Jonathan Beecher directly to you, 15 attaching a number of documents. 16 And he says, "Hello, Justin. I 17 hope you are doing well. In connection with 18 the proposed investment from Frank E. Pavlis in 19 Mobile Corporation's convertible note 20 financing, attached please find the following," 21 and he attaches a note purchase agreement, a 22 draft convertible note. And number three is, 23 "PDF Signature Page Packet." And a little 24 farther down, he provides instructions as to</p>

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<p style="text-align: right;">Page 154</p> <p>1 how the documents should be executed. 2 Does that refresh your 3 recollection that you were involved in 4 obtaining Mr. Pavlis' signature on documents 5 related to his investment in Mobile Corp.?</p> <p>6 MR. GREEN: Object to form. 7 You can answer. 8 A. No. But it does refresh my 9 memory that Michael was trying to get me to be 10 more helpful in more investments from Frank, 11 and which is why these documents were sent to 12 me. 13 But I -- if I remember right, 14 this was either right at or after the initial 15 investments were completed and the documents 16 were completed. 17 BY MR. MAHONEY: 18 Q. Is it your testimony that you 19 did not present documents to Mr. Pavlis for his 20 signature in connection with either of these 21 two investments in Mobile Corp. in September of 22 2014? 23 A. Did I -- did I present them to 24 him?</p>	<p style="text-align: right;">Page 156</p> <p>1 Frank didn't have an e-mail. I remember us 2 trying to be helpful. I do remember there was 3 discussion that they had been speaking with 4 Frank. I can't remember to what extent I was 5 and how I was involved in trying to help that 6 happen. 7 MR. MAHONEY: Okay. Do you have 8 that doc, 250? 9 MS. REDFERN: Yes, and it's 10 P-68. 11 MR. MAHONEY: Great. Thank you. 12 - - - 13 (Whereupon, Exhibit P-68 is 14 marked for identification.) 15 - - - 16 BY MR. MAHONEY: 17 Q. Mr. Billingsley, I'll represent 18 to you that this is a note purchase agreement 19 between Mobile Corporation and Mr. Pavlis. And 20 if you flip toward the end, you'll see 21 Mr. Pavlis' signature under the heading 22 "Investor." 23 Do you see that? 24 A. Okay.</p>
<p style="text-align: right;">Page 155</p> <p>1 Q. Yes, for signature. 2 A. For signature? I don't -- I 3 don't recall any of that. I was trying to be 4 helpful with Michael. Michael was good at his 5 job. I don't remember trying to do his job, 6 no. 7 Q. I'm not sure that answers my 8 question. 9 Do you remember giving documents 10 to Frank for him to sign relating to a Mobile 11 investment? Yes or no. 12 A. I -- I don't recall. I -- I 13 don't believe I recall that. 14 MR. MAHONEY: Cam, can you put 15 up 250, please. 16 BY MR. MAHONEY: 17 Q. And while she is putting that 18 up, Mr. Billingsley, did anyone at Mobile 19 indicate to you that they had, in fact, 20 contacted or reached out directly to Mr. Pavlis 21 to obtain his signature on documents relating 22 to Mobile investments? 23 A. Yeah, I don't recall. I 24 remember it was difficult, because, of course,</p>	<p style="text-align: right;">Page 157</p> <p>1 Q. Do you recognize the writing 2 beneath his name there, where someone printed 3 "Frank E. Pavlis"? 4 A. Do I recognize it? 5 Q. Yes. 6 A. I don't know. It looks like it 7 could be my handwriting. 8 MR. MAHONEY: Cam, let's go to 9 the next page or two. 10 BY MR. MAHONEY: 11 Q. This is an investor 12 questionnaire. 13 MR. MAHONEY: Go to the next 14 page, please. 15 BY MR. MAHONEY: 16 Q. And it appears that Mr. Pavlis' 17 signature is there. The date is 9/28/14. And, 18 again, someone wrote his name and then wrote 19 his address. 20 Do you recognize that as your 21 writing, Mr. Billingsley? 22 A. Yeah, I wouldn't be certain, but 23 it doesn't look -- it doesn't look too 24 dissimilar.</p>

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<p style="text-align: right;">Page 158</p> <p>1 Q. Do you know who put the "X" and 2 the circle by the signature line? 3 A. No. 4 Q. Do you recall doing that to 5 indicate where Mr. Pavlis should sign a 6 document? 7 A. I -- I don't recall. 8 Q. Now, what do you recall, if 9 anything, telling Mr. Pavlis about Mobile 10 Corp., about the business that Mobile Corp. was 11 in? 12 A. I remember explaining to him 13 that I was excited to be a part of it. I was 14 very impressed by -- I had recently met with 15 Alan Bersin and his wife, who was a judge. We 16 had spoken about the project. I had recently 17 met with Howard Dean, the -- 18 Q. Yes, I'm going to interrupt you 19 again, because you're not answering my 20 question. 21 My question was, what did you 22 explain to Mr. Pavlis about the business that 23 Mobile Corp. was in? 24 A. I was explaining that to you.</p>	<p style="text-align: right;">Page 160</p> <p>1 A. Yeah. So the focus of the 2 business model was to springboard off of great 3 executive profiles into public and consumer 4 perspective and viewpoint. And with these 5 profiles, David Lopez, associated with Jennifer 6 Lopez, all of these -- Marco Lopez, associated 7 with Carlos Slim, who gave us a deal with 8 Tracfone, all of this was to be a part of a 9 consumer platform where we would create 10 business, basically a work environment, through 11 mobile devices. 12 Q. When you say, "a work 13 environment through mobile devices," what does 14 that mean? 15 A. Where individuals could be 16 economically productive using a mobile device. 17 So if someone was on a train or stuck in 18 traffic or in the middle of their shifts as 19 waiters and nurses, that they could earn five 20 bucks, ten bucks using their mobile devices 21 with micro jobs. 22 Which was why Mobile Agency was 23 so important, because we had engineered a way 24 to source and originate off-market houses,</p>
<p style="text-align: right;">Page 159</p> <p>1 Q. Okay. Well, get to the business 2 part. I'm not interested in other people who 3 were involved. I'm interested in what you 4 understood Mobile Corp. was doing and what you 5 communicated about it to Frank. 6 A. Well, it was a startup. So 7 those that were involved was extremely 8 important. The executive profile and the board 9 profile is very, very important with a startup. 10 Q. Are you incapable of telling me 11 what business Mobile Corp. was in? 12 MR. GREEN: Objection. 13 Argumentative. 14 BY MR. MAHONEY: 15 Q. You can answer. Are you 16 incapable of answering that question? 17 A. I'm capable of answering it in 18 the way I'd like to. I think it's a bigger 19 answer than you're prepared for. 20 Q. I don't think it is. So I'm 21 going to ask again, I'm only interested in what 22 business Mobile Corp. was in. 23 So what business was Mobile 24 Corp. in, to your understanding?</p>	<p style="text-align: right;">Page 161</p> <p>1 derelict houses, through individuals driving 2 around with their mobile devices. So we could 3 create a large, highly untrained, highly tech 4 sophisticated army, if you will, of individuals 5 that would help us locate discount buy 6 opportunities, soccer moms, pool guys, lawn 7 guys, UPS salesmen. So that's -- that was the 8 business objective and business model. 9 Q. That wasn't Mobile Corp. That 10 was Mobile Agency, right? 11 A. That was all part of the same 12 thing. It was all to be one big ecosystem. 13 Everything was about mobile. It was -- that's 14 what we originally were going to do with all 15 the platforms, is roll them into a large 16 ecosystem where individuals could make money on 17 their -- on their mobile devices. 18 Q. Were you aware of Mobile Corp. 19 having any involvement with real estate? 20 A. Mobile Corp. had an involvement 21 with me. Mobile Corp. had an involvement with 22 Jeff Romney, who is very real estate-driven, 23 and he's the cousin of Mitt Romney, and his 24 expansive network into real estate individuals.</p>

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<p style="text-align: right;">Page 162</p> <p>1 We had -- Bill Marriott was a 2 highly paid advisor from the Marriott Hotels. 3 And through our deal with 4 Tracfone with Carlos Slim and Marriott and 5 Romney, the infrastructure was coming together, 6 in my opinion, nicely. 7 Q. As of September of 2014, are you 8 aware of Mobile Corp. spending one penny on 9 real estate investments? 10 A. Mobile Corp. spending a penny on 11 real estate? Boy, I hope not. 12 Q. Okay. All right. Why do you 13 say you hope not? 14 A. Because that wouldn't any make 15 any sense. It was a technology company looking 16 to provide a real estate service. 17 Q. Let's go through -- 18 MR. MAHONEY: Cam, can you put 19 up 135, please. 20 BY MR. MAHONEY: 21 Q. And while she's doing that, were 22 you involved at all in helping Mr. Pavlis 23 physically get from his house to his bank to 24 wire money to Mobile Corp.?</p>	<p style="text-align: right;">Page 164</p> <p>1 A. Why would I believe that that's 2 Frank's handwriting? 3 Q. Because I'm telling you it is. 4 You can't tell us that you 5 recognize Mr. Pavlis' handwriting? 6 MR. GREEN: Object to form. 7 BY MR. MAHONEY: 8 Q. You can answer. 9 A. Yeah, I -- I wouldn't believe 10 because you told me, Mr. Mahoney. You also 11 told me that there would be an attorneys' eyes 12 only contract in place at the beginning of all 13 this, didn't you? 14 Q. No, I didn't. 15 MR. GREEN: All right. Hang on 16 a second. 17 Justin, just stick with the 18 questions. 19 THE WITNESS: Okay. 20 BY MR. MAHONEY: 21 Q. So are you sitting here telling 22 me that you don't recognize that to be 23 Mr. Pavlis' handwriting? 24 A. I would have no reason to</p>
<p style="text-align: right;">Page 163</p> <p>1 A. I don't recall. I drove Frank 2 around a lot when I went down there. 3 MR. MAHONEY: Okay. So what's 4 the exhibit number? 5 MS. REDFERN: Yes, P-69. 6 MR. MAHONEY: Thank you. 7 --- 8 (Whereupon, Exhibit P-69 is 9 marked for identification.) 10 --- 11 BY MR. MAHONEY: 12 Q. Mr. Billingsley, these are 13 handwritten notes of Mr. Pavlis. The first 14 page that is in front of you says, "Real Estate 15 Investments. \$1 million wire transfer to 16 Wilson Sonsini Goodrich Rosati Transaction 17 Trust." 18 And then beneath that he writes, 19 "Transfer number 1 - September 16, 2014. 20 Transfer number 2 - September 26, 2014." 21 Do you have any idea why 22 Mr. Pavlis would have believed that these 23 investments in a technology company were, 24 quote, real estate investments?</p>	<p style="text-align: right;">Page 165</p> <p>1 believe that that's Frank's handwriting. 2 Q. Did you ever see him write 3 something? 4 A. Yes. 5 Q. And you don't believe this is 6 his writing at all? I just want to make sure 7 we're crystal clear on that point. 8 A. I have no reason to believe that 9 that's -- 10 MR. GREEN: Object to the form. 11 A. (Continuing) -- Frank's 12 handwriting. 13 MR. MAHONEY: Cam, scroll up to 14 the next note. 15 BY MR. MAHONEY: 16 Q. Okay. Again, Mr. Pavlis' 17 handwriting, and it's referencing a transfer of 18 \$1 million. And if you go down, you'll see 19 someone wrote "Reference," and there's a number 20 there. And then it ends with, "If have 21 questions, call Justin Billingsley." 22 Now, the phone number 23 203-240-7160, was that your number at the time 24 in September of 2014?</p>

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<p style="text-align: right;">Page 166</p> <p>1 A. My phone number in September of</p> <p>2 2014 was 203-240-7160, yes.</p> <p>3 Q. Okay. So do you have an idea</p> <p>4 why Mr. Pavlis, if you weren't really involved</p> <p>5 with these investments and it was other folks</p> <p>6 at Mobile, do you know why he would write, "If</p> <p>7 have questions, call Justin Billingsley"?</p> <p>8 MR. GREEN: Object to form.</p> <p>9 A. I wouldn't believe that he wrote</p> <p>10 this for a minute.</p> <p>11 BY MR. MAHONEY:</p> <p>12 Q. So you think somebody else wrote</p> <p>13 it?</p> <p>14 A. Definitely.</p> <p>15 Q. Why do you think that?</p> <p>16 A. Because I don't have any reason</p> <p>17 to believe he did.</p> <p>18 MR. MAHONEY: All right. Why</p> <p>19 don't we take a five-minute break. And</p> <p>20 then, Cam, we'll head into our breakout</p> <p>21 room.</p> <p>22 ---</p> <p>23 (Whereupon, a recess was taken</p> <p>24 from 1:46 p.m. to 1:54 p.m.)</p>	<p style="text-align: right;">Page 168</p> <p>1 Q. Mr. Billingsley, this is a copy</p> <p>2 of the second convertible promissory note and</p> <p>3 the corresponding note purchase agreement dated</p> <p>4 November 1 of 2014.</p> <p>5 Explain to me how this note came</p> <p>6 into being.</p> <p>7 THE WITNESS: Cam, may I have</p> <p>8 control of the document, please?</p> <p>9 BY MR. MAHONEY:</p> <p>10 Q. And, again, I'm going to ask</p> <p>11 you, why do you need to look at the document in</p> <p>12 order to answer that question?</p> <p>13 A. How could I not look at the</p> <p>14 document if you'd like me to talk about it?</p> <p>15 Q. Well, you're familiar with the</p> <p>16 document, right?</p> <p>17 A. I don't know. I haven't looked</p> <p>18 at it.</p> <p>19 Q. Oh, okay. So you're suggesting</p> <p>20 that maybe it's not what you remember. I'm</p> <p>21 representing to you that this is the document</p> <p>22 that in pleadings in this case, the defendants</p> <p>23 have admitted was, in fact, issued to</p> <p>24 Mr. Pavlis.</p>
<p style="text-align: right;">Page 167</p> <p>1 ---</p> <p>2 MR. MAHONEY: All right, Cheryl.</p> <p>3 BY MR. MAHONEY:</p> <p>4 Q. Mr. Billingsley, did you listen</p> <p>5 in on Mr. Miller's deposition the other day?</p> <p>6 A. Yes, I did.</p> <p>7 Q. Do you recall when he testified</p> <p>8 that you were paid as a consultant to Allwest</p> <p>9 to help raise money?</p> <p>10 A. I remember him saying something</p> <p>11 like that, yeah.</p> <p>12 Q. Do you agree with that?</p> <p>13 A. No.</p> <p>14 Q. Tell me why you disagree with</p> <p>15 that.</p> <p>16 A. He later also mentioned that I</p> <p>17 was very involved in business strategy,</p> <p>18 operations. The work that I did and help that</p> <p>19 I offered Gary with Allwest was far greater</p> <p>20 than -- than capital.</p> <p>21 MR. MAHONEY: Cam, let's take a</p> <p>22 look at what's been marked as P-5. It's</p> <p>23 CHRON105.</p> <p>24 BY MR. MAHONEY:</p>	<p style="text-align: right;">Page 169</p> <p>1 So with that understanding, tell</p> <p>2 me how this document came to be.</p> <p>3 A. Yeah, I would need -- I would</p> <p>4 need to see the document. I am not admitting</p> <p>5 anything. I think the document needs to just</p> <p>6 be something that I can review.</p> <p>7 MR. MAHONEY: Bill, are you</p> <p>8 going to weigh in on this?</p> <p>9 MR. GREEN: Well, let him flip</p> <p>10 through it.</p> <p>11 And, Justin, just flip through</p> <p>12 it and satisfy yourself that this is what</p> <p>13 it says it is.</p> <p>14 Do you have control over it,</p> <p>15 Justin?</p> <p>16 THE WITNESS: I'm trying. I</p> <p>17 think I have to ask again. Yes, it's not</p> <p>18 working.</p> <p>19 Cam, could you maybe just give</p> <p>20 me a slow scroll on the document?</p> <p>21 (Pause)</p> <p>22 MS. REDFERN: (Scrolling through</p> <p>23 document.)</p> <p>24 BY MR. MAHONEY:</p>

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<p style="text-align: right;">Page 170</p> <p>1 Q. Okay. You've had a chance to</p> <p>2 review the document?</p> <p>3 THE WITNESS: Thank you very</p> <p>4 much, Cam.</p> <p>5 A. To Mr. Mahoney, your question is</p> <p>6 if I recognize it?</p> <p>7 BY MR. MAHONEY:</p> <p>8 Q. Do you recognize it?</p> <p>9 A. Yes, I recognize it.</p> <p>10 Q. Now, tell me how this document</p> <p>11 came to be.</p> <p>12 A. Very similar to the first note.</p> <p>13 I worked with Jeff Peterson on it.</p> <p>14 Q. I'll represent to you, apart</p> <p>15 from the amount and some of the dates, it's</p> <p>16 identical to the note that we saw dated</p> <p>17 September 1 of 2014, including being signed by</p> <p>18 Mr. Silberman.</p> <p>19 So is it your testimony that</p> <p>20 Mr. Silberman continued to be executive vice</p> <p>21 president of Key Commercial Finance, LLC as of</p> <p>22 November 1 of 2014?</p> <p>23 A. That was my --</p> <p>24 MR. GREEN: Object to the form.</p>	<p style="text-align: right;">Page 172</p> <p>1 I believe we had some discussions. I assume</p> <p>2 Jeff had some discussions with Bivens and</p> <p>3 everyone else involved at the time. I know</p> <p>4 Jeff didn't make one decision without the board</p> <p>5 being involved.</p> <p>6 So I would assume that this was</p> <p>7 discussed. And it was thought to be the best</p> <p>8 idea to have Silberman do it.</p> <p>9 Q. Are you aware of any document</p> <p>10 memorializing any agreement in Mobile Corp. on</p> <p>11 the one hand and Key Commercial Finance on the</p> <p>12 other?</p> <p>13 A. A document memorializing? I</p> <p>14 would say it was more of an understanding at</p> <p>15 this point.</p> <p>16 Q. So why was this issued in</p> <p>17 November of 2014. Why not sooner? Why not</p> <p>18 later?</p> <p>19 A. I don't recall. We had many</p> <p>20 meetings, many discussions with Frank.</p> <p>21 Q. Who is "We"?</p> <p>22 A. Myself, the Mobile crew,</p> <p>23 particularly myself.</p> <p>24 Q. Why is this note a six-year note</p>
<p style="text-align: right;">Page 171</p> <p>1 A. (Continuing) -- understanding,</p> <p>2 yes. That was my understanding, yes.</p> <p>3 BY MR. MAHONEY:</p> <p>4 Q. Who made him executive vice</p> <p>5 president, by the way?</p> <p>6 MR. GREEN: Object to form. I</p> <p>7 think we covered this the last segment.</p> <p>8 MR. MAHONEY: Yes. I don't</p> <p>9 recall his answer, so I'd like to know</p> <p>10 who appointed him executive vice</p> <p>11 president of Key Commercial.</p> <p>12 A. Yeah, I don't know that it was</p> <p>13 some incredibly formal appointing ceremony or</p> <p>14 moment. It was an understanding.</p> <p>15 BY MR. MAHONEY:</p> <p>16 Q. Why didn't you just sign it?</p> <p>17 A. Jeff and I thought it would be</p> <p>18 best, given the fact that we were looking to --</p> <p>19 all of this was of a single initiative</p> <p>20 originally, that's why Mobile was to be so</p> <p>21 focused on real estate. That's why Key was so</p> <p>22 focused on real estate. It was one -- it was</p> <p>23 to become one initiative.</p> <p>24 So Jeff and I talked through it.</p>	<p style="text-align: right;">Page 173</p> <p>1 rather than a five-year note that we saw in the</p> <p>2 September 2014 note?</p> <p>3 A. I know Frank was -- was super</p> <p>4 sensitive to making sure that the investments</p> <p>5 wouldn't come back to him. That might have had</p> <p>6 something to do with it. Other than that, I</p> <p>7 don't recall the details. It's very long ago.</p> <p>8 Q. Are you aware that Michael</p> <p>9 Silberman has denied having any involvement</p> <p>10 with Key Commercial?</p> <p>11 A. With all this liability, it</p> <p>12 wouldn't surprise me at all.</p> <p>13 Q. What liability?</p> <p>14 A. Your ferociously angry lawsuit.</p> <p>15 Q. Have you spoken to Mr. Silberman</p> <p>16 since the lawsuit was filed?</p> <p>17 A. I don't recall. I don't believe</p> <p>18 so, since the lawsuit was filed. No, I don't</p> <p>19 believe I have.</p> <p>20 Q. Is there any reason why you</p> <p>21 would not have reached out to him to say, hey,</p> <p>22 Mike, we both know you were executive vice</p> <p>23 president. Why are you denying that you were?</p> <p>24 MR. GREEN: Object to form.</p>

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<p style="text-align: right;">Page 174</p> <p>1 A. Yeah. Things did not end well 2 when Mobile finally imploded. So we didn't 3 necessarily end up as -- as drinking buddies. 4 BY MR. MAHONEY: 5 Q. Did Mr. Silberman sign any other 6 documents as executive vice president of Key 7 Commercial Finance? 8 A. I don't recall. We -- we were 9 in play with a lot of documents. 10 Q. Have all those documents been 11 produced, to your knowledge, in discovery? 12 A. Absolutely. 13 Q. Now, do you recall, in late 14 2014, your mother preparing documents relating 15 to Mr. Pavlis' investment in Allwest? 16 MR. GREEN: Object to form. 17 THE WITNESS: Could you restate 18 your question, Mr. Mahoney? 19 BY MR. MAHONEY: 20 Q. Yes. Do you recall your mother 21 preparing documents reflecting the investment 22 between Mr. Pavlis and Allwest Investments? 23 A. That question assumes that she 24 did, and she did not.</p>	<p style="text-align: right;">Page 176</p> <p>1 Deborah Billingsley, dated November 4th, 2014, 2 to you. The subject is, "Operating Agreement." 3 And apparently attached to the e-mail was an 4 NPL purchase and services agreement template. 5 And she writes, "Hi, Justin. 6 It's a start . . . The names are changed and a 7 few minor corrections. Sorry I can't complete 8 it, but have no knowledge of financial 9 arrangement or any details of agreement." 10 Does that refresh your 11 recollection as to whether your mother helped 12 prepare documents in connection with Pavlis' 13 investment with Allwest? 14 A. Yeah. It helps me remember she 15 absolutely did not. So an NPL purchase and 16 services agreement is a non-performing loan 17 purchase and service agreement. 18 This was some of the work that 19 Gary and I were trying to do, was trying to 20 purchase portfolios of non-performing loans 21 from mortgage servicers. So we had been -- I 22 had been talking to many aggregators of these 23 types of financial instruments. This e-mail 24 was absolutely about that.</p>
<p style="text-align: right;">Page 175</p> <p>1 Q. Is your mother's name Deborah 2 Billingsley? 3 A. Yes. 4 Q. Were you aware that somebody 5 drafted documents, say, beginning in November 6 of 2014 and into December, purporting to 7 memorialize Mr. Pavlis' investment with Allwest 8 Investments? 9 A. I -- am I aware if somebody did? 10 Q. Yes. 11 A. I was the one mostly doing that. 12 I was interacting with a lot of individuals. 13 So am I aware that someone else did? I don't 14 know that I understand that question. 15 MR. MAHONEY: All right. Hey, 16 Cam, put up CHRON258, please. 17 MS. REDFERN: This will be P-70. 18 --- 19 (Whereupon, Exhibit P-70 is 20 marked for identification.) 21 --- 22 BY MR. MAHONEY: 23 Q. Mr. Billingsley, you're looking 24 at P-70, which purports to be an e-mail from</p>	<p style="text-align: right;">Page 177</p> <p>1 Q. Okay. But when she writes, 2 "Sorry I can't complete it," does that not 3 indicate that she made some effort to complete 4 it? 5 MR. GREEN: Object to form. 6 A. The -- the operating agreement? 7 BY MR. MAHONEY: 8 Q. Yes. Isn't that what she's 9 referring to? 10 A. I don't -- I don't believe she's 11 referring to the LLC operating agreement. This 12 could have easily been a different op -- a 13 different entity, be a different LLC. It could 14 have been Allwest Number II, LLC, Allwest 15 Number XII, LLC. It could have had nothing to 16 do with Allwest at all. 17 Q. Are you aware of something 18 called Allwest XII, LLC? 19 A. No. I'm just saying 20 hypothetically. And again, even this 1.1 says, 21 "Are these professional groups still active 22 with Allwest?" 23 There's no -- no inference here 24 that this document or effort in document</p>

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<p style="text-align: right;">Page 182</p> <p>1 retained net earnings; 3) three-year note."</p> <p>2 Now, do you know why she would</p> <p>3 be updating any note to reflect those changes?</p> <p>4 A. Sure. I would imagine I had a</p> <p>5 conversation with Gary and I asked her to make</p> <p>6 some adjustments and send me the document.</p> <p>7 Q. Why would you make these</p> <p>8 adjustments?</p> <p>9 A. Because of discussions I was</p> <p>10 having with Gary and discussions I was having</p> <p>11 with Frank. As I mentioned, everything was</p> <p>12 fluid.</p> <p>13 Q. Well, this is now late November</p> <p>14 of 2014.</p> <p>15 Are you aware of Mr. Pavlis</p> <p>16 receiving any note from Allwest relating to his</p> <p>17 \$7 million investment?</p> <p>18 MR. GREEN: Object to the form.</p> <p>19 A. I don't recall. I -- I -- you</p> <p>20 know, we looked at many documents together.</p> <p>21 MR. MAHONEY: Cam, let's go to</p> <p>22 the attached document.</p> <p>23 BY MR. MAHONEY:</p> <p>24 Q. Now, this is what was attached</p>	<p style="text-align: right;">Page 184</p> <p>1 ultimately, a promissory note was signed</p> <p>2 reflecting Mr. Pavlis' \$6 million investment in</p> <p>3 Allwest?</p> <p>4 A. Well, I -- I just don't recall.</p> <p>5 Q. Can you explain this to me. Why</p> <p>6 would your mother be working or why would</p> <p>7 anybody be working on a note in late</p> <p>8 November 2014 that purported to reflect a</p> <p>9 \$6 million investment made in May of 2014?</p> <p>10 A. You're talking about the date</p> <p>11 disparity?</p> <p>12 Q. Yes, I am.</p> <p>13 A. As I mentioned, there were tons</p> <p>14 of changes. The documents were in constant</p> <p>15 flux.</p> <p>16 Q. Well, I'll represent to you that</p> <p>17 the first time we see a promissory note like</p> <p>18 this is in November of 2014.</p> <p>19 So how could it have been in</p> <p>20 flux between May and November when it doesn't</p> <p>21 appear until November?</p> <p>22 MR. GREEN: Object to form.</p> <p>23 A. You mean because you don't have</p> <p>24 e-mail evidence of it, you don't think it</p>
<p style="text-align: right;">Page 183</p> <p>1 to that e-mail, Mr. Billingsley. It purports</p> <p>2 to be an Allwest Investments, LLC promissory</p> <p>3 note for Frank E. Pavlis Revokable Living</p> <p>4 Trust. It's \$6 million and it's dated May 20th</p> <p>5 of 2014.</p> <p>6 And now if you go down to</p> <p>7 Paragraph 1, it says, "Promise to Pay. For</p> <p>8 value received, Paramax RE, LP, a Delaware</p> <p>9 Limited Partnership, promises to pay to the</p> <p>10 order of the Frank E. Pavlis Revokable Living</p> <p>11 Trust, and trustees and assigns, the sum of</p> <p>12 \$6 million."</p> <p>13 Okay. Do you recall seeing this</p> <p>14 document?</p> <p>15 A. Do I recall this exact document?</p> <p>16 No. There were many versions of it.</p> <p>17 Q. And you understood that,</p> <p>18 ultimately, the final version of this was, in</p> <p>19 fact, a promissory note between Allwest</p> <p>20 Investments, LLC and Mr. Pavlis, right?</p> <p>21 MR. GREEN: Object to form.</p> <p>22 A. Can you restate the question?</p> <p>23 BY MR. MAHONEY:</p> <p>24 Q. Yes. You understood that</p>	<p style="text-align: right;">Page 185</p> <p>1 exists?</p> <p>2 BY MR. MAHONEY:</p> <p>3 Q. No, because none of it was</p> <p>4 produced to us in discovery. And since you've</p> <p>5 said several times we've gotten everything, I'm</p> <p>6 asking you, how could it have been -- let me</p> <p>7 finish -- how could it have been in a state of</p> <p>8 flux from May until November, when the first</p> <p>9 documentary evidence of this note is in</p> <p>10 November?</p> <p>11 A. Yeah. No. There were many</p> <p>12 paper versions that I was meeting with Frank.</p> <p>13 Obviously, all of my meetings had paperwork in</p> <p>14 it. So the documents were constantly changing.</p> <p>15 When we finally went digital, we</p> <p>16 cleaned all that up. We only kept what we</p> <p>17 thought we needed. Everything else was</p> <p>18 discarded.</p> <p>19 Q. Again, you don't recall when you</p> <p>20 went digital?</p> <p>21 A. It wasn't some great big moment.</p> <p>22 It was as we moved offices and as we got tired</p> <p>23 of carrying around filing cabinet after filing</p> <p>24 cabinet, we just -- it was a process that</p>

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<p style="text-align: right;">Page 186</p> <p>1 eventually took over.</p> <p>2 Q. Well, how many offices did Key</p> <p>3 Commercial have from, say, 2014 through today?</p> <p>4 A. We had an office down in Katonah</p> <p>5 that we were at for a couple of years. I think</p> <p>6 I officed a little bit out of the Manhattan</p> <p>7 office, from Mobile Corporation in the MetLife</p> <p>8 Building. That was actually before Katonah.</p> <p>9 And then Katonah. And then we had an office in</p> <p>10 Danbury, over at a big complex called "The</p> <p>11 Summit." We were there for a while. And then</p> <p>12 we had an office, I believe, over at Mill Plain</p> <p>13 Road. And then eventually we just moved our</p> <p>14 offices to home offices.</p> <p>15 Q. Can you explain to me why if, in</p> <p>16 fact, Mr. Pavlis had signed note purchase</p> <p>17 agreements and accepted two separate notes from</p> <p>18 Key Commercial in September and November 2014,</p> <p>19 why anybody is bothering to document a note</p> <p>20 between Allwest and Mr. Pavlis?</p> <p>21 A. You know, Frank would go back</p> <p>22 and forth. Frank would worry that things</p> <p>23 were -- could be better.</p> <p>24 I -- Gary and I were trying to</p>	<p style="text-align: right;">Page 188</p> <p>1 And it looks like the attachment</p> <p>2 is just an e-mail from your mother to you. And</p> <p>3 the subject says, "Pavlis Note 5."</p> <p>4 Does that indicate to you that</p> <p>5 this was yet another iteration of a note</p> <p>6 between Allwest and Mr. Pavlis?</p> <p>7 A. I don't recall.</p> <p>8 Q. He writes back to you after you</p> <p>9 forward the note to him. He says, "Justin,</p> <p>10 this note needs a lot more details and</p> <p>11 understanding. Preference is six percent and</p> <p>12 two percent cost for asset management to cover</p> <p>13 your fee. Total eight percent."</p> <p>14 Do you understand what he's</p> <p>15 referring to there when he says a "two percent</p> <p>16 for asset management to cover your fee"?</p> <p>17 A. I believe that was an iteration</p> <p>18 of -- of what we were thinking and trying to</p> <p>19 develop. But outside of the obviously stated,</p> <p>20 no, I don't remember the -- the details five</p> <p>21 years ago.</p> <p>22 Q. Did you ever tell Mr. Pavlis, in</p> <p>23 connection with his investments, whether he</p> <p>24 made them at Allwest or at Key Commercial, that</p>
<p style="text-align: right;">Page 187</p> <p>1 figure out basically his -- his push to retire.</p> <p>2 His daughter and her husband wanted to be</p> <p>3 involved with Allwest. So we talked a lot</p> <p>4 about, you know, me owning Allwest entirely</p> <p>5 eventually.</p> <p>6 And then we had some discussions</p> <p>7 about Paramax. And then there were a few other</p> <p>8 iterations. And then eventually it all landed</p> <p>9 that we would -- I would do it with Key</p> <p>10 Commercial Finance.</p> <p>11 MR. MAHONEY: All right. Cam,</p> <p>12 put up 270, please.</p> <p>13 MS. REDFERN: This will be P-72.</p> <p>14 ---</p> <p>15 (Whereupon, Exhibit P-72 is</p> <p>16 marked for identification.)</p> <p>17 ---</p> <p>18 BY MR. MAHONEY:</p> <p>19 Q. Mr. Billingsley, this is an</p> <p>20 e-mail exchange between you and Mr. Miller on</p> <p>21 December 1st, 2014. You e-mailed Mr. Miller.</p> <p>22 The subject is, "Pavlis Note." And it says,</p> <p>23 "Dear Gary, Please see attached. When may we</p> <p>24 discuss?"</p>	<p style="text-align: right;">Page 189</p> <p>1 you would be getting a fee in connection with</p> <p>2 the \$7 million he invested?</p> <p>3 A. Oh, yeah. Yeah, he -- in fact,</p> <p>4 Frank was always quite annoyed that I wouldn't</p> <p>5 accept his money. So he, you know, would</p> <p>6 always try to buy lunch, and I wouldn't let</p> <p>7 him. So, yeah, he well understood that I would</p> <p>8 be in a position to make money with this</p> <p>9 project.</p> <p>10 Q. Where would that agreement with</p> <p>11 Mr. Pavlis be memorialized? What document</p> <p>12 reflects your agreement with him that you would</p> <p>13 be paid some form of asset management fee or</p> <p>14 other fee in connection with his \$7 million</p> <p>15 investment?</p> <p>16 MR. GREEN: Object to form.</p> <p>17 A. I believe it's absolutely</p> <p>18 implied by the documents in place and by the</p> <p>19 understanding inferred in investing in a</p> <p>20 company that is going to start up.</p> <p>21 BY MR. MAHONEY:</p> <p>22 Q. What document do you believe</p> <p>23 implies that Mr. Pavlis agreed to that?</p> <p>24 A. That he signed subscription</p>

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<p style="text-align: right;">Page 190</p> <p>1 agreements. That he signed notes, you know, 2 purchase agreements. That he got PPMs that 3 made clear that there would be expenses, 4 administrative expenses, operating expenses, 5 staff expenses. 6 Q. Is there anything that you can 7 think of in any of those documents that 8 specifically indicates that Justin Billingsley 9 was going to be getting a fee in connection 10 with the \$7 million investment? 11 A. We didn't land on the -- we 12 didn't finish or complete this concept of me 13 getting a fee. I never did get a fee. It was 14 in concept form in this e-mail, with much more 15 broader context and discussions on the phone. 16 So the way that Mr. Pavlis 17 understood that I would be compensated ended up 18 being exactly as I was compensated. 19 MR. MAHONEY: Okay. Cam, can we 20 go to 275, which I think was already 21 marked, but I could be wrong about that. 22 MR. GREEN: Mr. Mahoney, one 23 second. I'm sorry. My . . . 24 MR. MAHONEY: That's okay. Do</p>	<p style="text-align: right;">Page 192</p> <p>1 that his participation is 40 percent." 2 When did you make the 3 representation to Mr. Pavlis that in addition 4 to eight percent, his participation in the 5 profit split was 40 percent? 6 MR. GREEN: Object to form. 7 BY MR. MAHONEY: 8 Q. You can answer. 9 A. Let me finish reading this, 10 Mr. Mahoney, so I can certainly have greater 11 clarity and understanding here. 12 (Pause) 13 So your question is, when did I 14 make those representations to Frank? 15 Q. Yes. 16 A. I don't recall. It would have 17 been many, many times throughout the year, the 18 two to three years that we were talking about 19 these projects. 20 Q. So you told Mr. Pavlis on 21 multiple occasions that in addition to him 22 receiving an eight percent return on his money, 23 he was also going to get 40 percent of the 24 profit split; is that right?</p>
<p style="text-align: right;">Page 191</p> <p>1 you want to take a couple minute break? 2 THE WITNESS: No. We have a 3 dead possum in our backyard and my 4 daughter just saw it. She's quite upset 5 about it. 6 Okay. I think we have an all 7 clear. 8 MS. REDFERN: So, yes, that was 9 P-47, Bill. 10 MR. MAHONEY: Thanks, Cam. 11 BY MR. MAHONEY: 12 Q. All right. If you go down the 13 bottom, we'll work our way back up. 14 So this e-mail trail begins with 15 the e-mail we just looked at where Mr. Miller 16 writes to you on December 1st that the "note 17 needs a lot more details and understanding." 18 You write back the next day, 19 December 2nd, "Gary, We must keep the 20 guaranteed interest to Frank as initially 21 represented to him, which was at eight percent. 22 My cost will need to be above that. I think it 23 is fine that the profit split is after the ten 24 percent to AW but I have represented to Frank</p>	<p style="text-align: right;">Page 193</p> <p>1 A. No, that's not what I said. I 2 said that we had talked about his profit 3 participation many, many times. This would 4 have been potentially one instance. 5 Q. Well, it says that you had 6 represented to Frank that his participation is 7 40 percent. 8 That indicates, does it not, 9 that you told Mr. Pavlis that his participation 10 would be 40 percent? 11 A. Yeah, but this -- this also 12 fails to understand the context then of talking 13 to Gary in the context of Allwest. 14 At this point, Gary was very 15 motivated to try to get as much of the 16 opportunity as he reasonably could. And we 17 were going back and forth, understanding that 18 it -- it was starting to get minimal, that his 19 opportunity would become minimal. 20 Q. I don't understand that. 21 Whose opportunity would become 22 minimal? 23 A. Gary's opportunity in the 24 project going forward.</p>

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<p style="text-align: right;">Page 194</p> <p>1 So I -- I would interpret this</p> <p>2 to read that this would follow up phone</p> <p>3 discussions that would have been happening and</p> <p>4 at which he would have been explaining why</p> <p>5 can't we do this with Allwest. Why can't we do</p> <p>6 more with Allwest.</p> <p>7 And I would probably have been</p> <p>8 explaining to him, in the context of an Allwest</p> <p>9 world, an Allwest investment, this is something</p> <p>10 of what -- this is what it would have to look</p> <p>11 like.</p> <p>12 Q. Do you ever recall directing</p> <p>13 Mr. Miller not to reach out and contact</p> <p>14 Mr. Pavlis directly?</p> <p>15 A. We did talk to Frank together.</p> <p>16 As is custom in the business, I had him sign</p> <p>17 non-disclosures, as he had me sign</p> <p>18 non-disclosures and non-circumvents.</p> <p>19 Q. Okay. You didn't answer my</p> <p>20 question.</p> <p>21 Did you tell Mr. Miller that he</p> <p>22 was not to speak directly to Mr. Pavlis?</p> <p>23 MR. GREEN: Object to form.</p> <p>24 Asked and answered.</p>	<p style="text-align: right;">Page 196</p> <p>1 understanding. But that's fine. It was good</p> <p>2 for us to do it the way we did it according to</p> <p>3 the advice -- according to the advice that we</p> <p>4 received.</p> <p>5 Q. Again, who gave you that legal</p> <p>6 advice?</p> <p>7 A. I believe that was Snell &</p> <p>8 Wilmer. Hillel Goldman. Generally those two.</p> <p>9 Q. When these law firms, by the</p> <p>10 way, were giving you this advice in 2014, how</p> <p>11 did you pay them?</p> <p>12 MR. GREEN: Object to form.</p> <p>13 A. I -- I don't understand the</p> <p>14 question, "How did you pay them?"</p> <p>15 BY MR. MAHONEY:</p> <p>16 Q. Well, presumably, they billed</p> <p>17 you for their advice, correct?</p> <p>18 A. I don't have a working</p> <p>19 understanding as to how -- how that -- how</p> <p>20 billing procedures work with law firms.</p> <p>21 Q. Well, typically, lawyers do work</p> <p>22 and then bill their clients for whom they do</p> <p>23 work.</p> <p>24 And my question is, since you've</p>
<p style="text-align: right;">Page 195</p> <p>1 A. I don't -- I don't recall ever</p> <p>2 expressing that directly to Mr. Miller.</p> <p>3 BY MR. MAHONEY:</p> <p>4 Q. Why was it that your</p> <p>5 brother-in-law, Chad Self, became the sole</p> <p>6 member of Key Commercial?</p> <p>7 A. Yeah, I thought -- I don't think</p> <p>8 he was really. It was our understanding and</p> <p>9 impression that we were partners. His -- his</p> <p>10 side of the work and his work role was to be</p> <p>11 productive on the admin side with payroll, with</p> <p>12 documents with the attorneys, document filings,</p> <p>13 entity formations, tax, banking. But we</p> <p>14 understood that we were partners in the</p> <p>15 endeavor.</p> <p>16 Q. Well, you understand -- in fact,</p> <p>17 you were listening in to Mr. Self's deposition</p> <p>18 last week. You understand that he is, in fact,</p> <p>19 identified as the sole member of Key Commercial</p> <p>20 Finance in the documents filed with the State</p> <p>21 of Delaware, correct?</p> <p>22 A. That's my understanding and</p> <p>23 always has been from my legal advice, that --</p> <p>24 that that's not as relevant as is operational</p>	<p style="text-align: right;">Page 197</p> <p>1 said several times that multiple law firms did</p> <p>2 work for you in connection with one or more of</p> <p>3 these documents, I'd like to know how you paid</p> <p>4 them.</p> <p>5 A. I would imagine they submitted</p> <p>6 us bills and we'd give them payment.</p> <p>7 Q. Out of what account did that</p> <p>8 payment come?</p> <p>9 A. I don't know. I -- I generally</p> <p>10 left that to Chad and the bankers and</p> <p>11 accountants and wasn't involved in that -- that</p> <p>12 type -- that side of the work at all.</p> <p>13 MR. MAHONEY: All right. Give</p> <p>14 me a second. I'm just reading something</p> <p>15 here.</p> <p>16 (Pause)</p> <p>17 BY MR. MAHONEY:</p> <p>18 Q. I'm going to represent to you</p> <p>19 that Key Commercial Finance was legally formed</p> <p>20 on December 10th of 2014.</p> <p>21 You don't have any reason to</p> <p>22 doubt that, right?</p> <p>23 MR. GREEN: Object to form.</p> <p>24 A. I don't have any reason to</p>

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<p style="text-align: right;">Page 206</p> <p>1 A. I believe I did, if I remember 2 correctly. 3 Q. Did you provide a copy of the 4 note as countersigned by Mr. Miller after he 5 e-mailed it to you on December 16th, 2014? 6 A. I don't recall. I believe I 7 did. Things changed pretty quickly after this 8 document, and Frank was no longer content with 9 the Allwest arrangement, which is what got us 10 looking to make the changes. 11 Q. I'll get to that. But going 12 back to this promissory note, in addition to 13 eight percent annual interest, Paragraph 3 14 says, "Earnings. 40 percent of annual net 15 retained earnings (Annual earnings less sum of 16 Applicable Costs and Allwest Investment Share) 17 shall be paid to the Note Holder annually." 18 So in addition to interest, 19 according to this note, Mr. Pavlis was getting 20 40 percent of net retained earnings after 21 certain other costs were cut out, right? 22 A. After applicable costs, correct, 23 investment share. 24 Q. Now, I'll represent to you that</p>	<p style="text-align: right;">Page 208</p> <p>1 December of 2014 that would have given him 2 eight percent, plus 40 percent of net retained 3 earnings as defined, that he grew dissatisfied 4 with that return? 5 A. Yes. Because it was -- it was 6 40 percent less costs and after Allwest's 7 participation in the investment. So, yeah, 8 he -- he didn't like that. 9 Q. Well, can you explain why he 10 signed it if he didn't like it? 11 A. Yeah. It was -- it was a 12 version that we were talking about at the time. 13 Like I said, he signed many 14 versions of this. This one just ended up, you 15 know, being cycled through with Gary. But this 16 was a version that he had -- you know, after I 17 signed it -- after I got it -- had it signed, 18 Frank would call and say, I've been thinking 19 about it. And we would analyze Gary's 20 operating costs, we would analyze Gary's 21 position in the investment, in the, you know, 22 net profit proceeds, and he wouldn't -- he 23 wouldn't like it. So I would get to work on 24 making a better deal for him.</p>
<p style="text-align: right;">Page 207</p> <p>1 neither of the two notes that allegedly issued 2 from Key Commercial to Mr. Billingsley say 3 anything about any return on investment other 4 than the eight percent annually. 5 Can you explain why this note 6 would provide for some payment in addition to 7 eight percent, but the Key Commercial notes do 8 not? 9 A. Yeah, it's foggy, of course, 10 five years back. If I remember right, what 11 Frank did not like about this was that it 12 was -- it was rooted in the concept of him 13 participating in real estate transactions. 14 He wanted more of a VC, venture 15 capital, type participation in the -- in being 16 able to earn more than what is put here. He 17 was worried that his earnings wouldn't be as 18 significant and -- and was more interested in 19 having share, ownership share of the company 20 that was successful in making more money. 21 Q. Okay. I'm not sure I understood 22 that. 23 Is it your testimony that after 24 Mr. Miller and Mr. Pavlis signed this note in</p>	<p style="text-align: right;">Page 209</p> <p>1 Q. But explain to me how promissory 2 notes from Key Commercial that only pay eight 3 percent over five and six years is a better 4 deal than eight percent plus some percentage of 5 retained earnings. 6 A. Well, it's -- 7 MR. GREEN: Object to form. 8 A. (Continuing) It's a lot better 9 deal. 10 BY MR. MAHONEY: 11 Q. How is it better? 12 A. The eight percent wasn't 13 anything that Frank was interested in. Frank 14 was interested in owning a portion of the 15 company. So Frank was very interested in that 16 note converting to equity and then earning a 17 portion of the company that did everything that 18 we wanted to do. 19 Had it not been destroyed by 20 Skeans' slander, it would have -- you know, 21 everything that we built would be worth many 22 millions, and that would have been worth a lot 23 greater earning, in Frank's opinion. 24 Q. So you're saying that Mr. Pavlis</p>

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<p style="text-align: right;">Page 210</p> <p>1 expressed to you his optimism that Key 2 Commercial would be a successful company, and 3 he wanted to have equity ownership interest in 4 that company; is that right? 5 A. He wanted a venture capital 6 opportunity in his portfolio, is what he would 7 explain. And he would say, you know, I'd like 8 to -- I believe that your company is going to 9 be worth a lot. I want to participate in its 10 growth and its earnings and its ownership. 11 Q. What did you tell him about Key 12 Commercial that presumably made him so 13 enthusiastic about it? 14 A. Oh, the way that I had expected 15 to shore up the company by using the capital 16 in -- in transactions, fix-and-flip, to create 17 stability and then to use the capital to build 18 the technology platform that would be very 19 disruptive (sic) to an industry begging for it. 20 Q. And you felt that Mr. Pavlis 21 understood that and was willing to invest 22 \$7 million into it? 23 A. I felt Mr. Pavlis was passionate 24 about it, yeah. He was very passionate that I</p>	<p style="text-align: right;">Page 212</p> <p>1 from 2:54 p.m. to 2:59 p.m.) 2 - - - 3 MR. MAHONEY: Back on the 4 record. 5 Cam, would you please put up 6 what was marked as P-7. 7 BY MR. MAHONEY: 8 Q. Mr. Billingsley, this is an 9 e-mail, dated April 2nd, 2015, from you to your 10 brother-in-law, Chad Self, at equitypros.co and 11 the attachment is "Scan 6." And beneath that, 12 it looks like somebody at heath11539@aol.com 13 forwarded the document to you. 14 Is that your wife's e-mail 15 address? 16 A. Yes, it is. 17 Q. Do you know why she was 18 forwarding a document to you? 19 A. I -- I don't recall. I would 20 imagine, for some reason, I was -- yeah, I 21 don't recall. 22 MR. MAHONEY: Okay. Cam, let's 23 go to the attachment, please. 24 BY MR. MAHONEY:</p>
<p style="text-align: right;">Page 211</p> <p>1 was an operator that could -- could get it 2 done. 3 Regretfully, I wasn't able to 4 get it done in the face of extraordinary 5 slander. But to be able to build the platform 6 just as we did, deliver it to marketplace as -- 7 as promised, with lots of value. 8 Q. Okay. Are you aware of any 9 document that reflects any sort of update to 10 Mr. Pavlis explaining what Key Commercial was 11 doing, how it was progressing along with its 12 digital platform for real estate? Anything 13 along those lines? 14 A. No. Frank, he didn't like 15 documents. It annoyed him. He wanted things 16 to be kept clean. He had too much in his 17 apartment already. He was in a very tiny, 18 little apartment. And he didn't e-mail. So he 19 really wanted everything to be verbal in 20 updates that way. 21 MR. MAHONEY: All right. Why 22 don't we take a five-minute break. 23 - - - 24 (Whereupon, a recess was taken</p>	<p style="text-align: right;">Page 213</p> <p>1 Q. This purports to be an 2 "Amendment to Allwest RE Partners Subscription 3 Agreement." And if you scroll down to the 4 bottom, you'll see that there's only writing on 5 the right-hand side of the page, and it's been 6 signed by Mr. Pavlis. 7 Do you recall having Mr. Pavlis 8 sign this document? 9 A. Not this document. We signed 10 many documents. 11 Q. But you don't have any 12 recollection of this particular one? 13 A. No. 14 MR. MAHONEY: Cam, if you don't 15 mind, let's go to P-8, which is 043 and 16 044. 17 BY MR. MAHONEY: 18 Q. This is another e-mail. This is 19 again from Chad Self's e-mail address to you. 20 And the subject is, "Scan+6.pdf." 21 And if you turn to the 22 attachment, it's again the "Amendment to 23 Allwest RE Partners Subscription Agreement." 24 And this time, if you turn to</p>

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<p style="text-align: right;">Page 214</p> <p>1 the signature page, you'll see it is now signed 2 by Mr. Pavlis -- or still signed by Mr. Pavlis, 3 but it looks like Mr. Self added his signature. 4 Do you see that? 5 A. Yes, I see that. 6 Q. And you also note that somebody 7 typed in a date above Mr. Pavlis' signature as 8 4/2/2015. 9 Who added that date? 10 A. I have no idea. 11 Q. Do you know why the date was 12 added? 13 A. No. I would imagine it was the 14 date Frank signed the document. 15 MR. MAHONEY: Cam, P-9, please, 16 which is CHRON049. 17 BY MR. MAHONEY: 18 Q. This is an e-mail exchange 19 between you and Gary Miller. 20 MR. MAHONEY: And if you go to 21 the bottom, Cam. 22 BY MR. MAHONEY: 23 Q. You're writing Mr. Miller 24 April 3rd. Again, it's the same subject,</p>	<p style="text-align: right;">Page 216</p> <p>1 If that took place, would I find 2 it on the financial records or in the financial 3 records that the defendants have produced in 4 this case? Particularly the general ledgers, 5 would I expect to find it there? 6 A. Yes. 7 Q. And on that point, can you state 8 with certainty that all of the general ledgers 9 and profit and loss statements and related 10 documents for every company related to Key 11 Commercial has been produced in discovery? 12 MR. GREEN: Object to form. 13 Calls for a legal conclusion as well. 14 MR. MAHONEY: That makes no 15 sense at all, Bill. 16 BY MR. MAHONEY: 17 Q. But you can answer the question, 18 Mr. Billingsley. 19 A. We had a -- an accountant, a 20 CPA, doing all of our books. Every penny that 21 went through our world in any respect was 22 accounted for by -- by Dawn, Dawn Brolin. 23 And to my understanding, 24 although we recently discovered that there was</p>
<p style="text-align: right;">Page 215</p> <p>1 "Scan+6." And you say, "Dear Gary, See 2 attached. Can you do the wire today?" 3 What wire were you referring to, 4 by the way? 5 A. Right. I don't -- I don't 6 recall. We did lots of wires back and forth. 7 I don't know. 8 Q. Well, it was mostly back, right? 9 It was mostly Allwest sending money to Key 10 Commercial, correct? 11 MR. GREEN: Object to form. 12 A. I don't recall. 13 BY MR. MAHONEY: 14 Q. Do you recall Key West ever 15 sending any money to Allwest? I'm sorry, Key 16 Commercial sending any money to Allwest? 17 A. Yeah. I think Key or one of its 18 subsidiaries would have been involved in a 19 financial relationship with Allwest at some 20 point. 21 Q. Why would Key Commercial be 22 sending any money to Allwest or a subsidiary? 23 You know what? I'm sorry, let 24 me stop that.</p>	<p style="text-align: right;">Page 217</p> <p>1 quite a mistake made, yes, everything has been 2 produced. 3 Q. Okay. So let's talk about the 4 mistake first. 5 What's the mistake you're 6 referencing? 7 A. After, I think it was, Chad's 8 deposition, we discovered that she, in fact, 9 did not complete the 2019 finances. So she did 10 not complete the 2019 financial reporting and 11 just simply carried everything over from 2018 12 and did no work at all on 2019, and offered 13 that report mistakenly. 14 Q. I'm sorry, what was that last 15 word? 16 A. Mistakenly. 17 Q. When you say "she," who is 18 "she"? 19 A. Dawn Brolin and her staff. 20 Q. Oh, Dawn, I'm sorry. I thought 21 you said Don. 22 Is she correcting that mistake? 23 A. Yes. We're working on it to get 24 it corrected. She is very apologetic and very</p>

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<p style="text-align: right;">Page 226</p> <p>1 And you write, "Dear Debby and 2 Darbin. Please see attached. How do you pass 3 this up? Wow," four exclamation points. And 4 what you're forwarding here appears to be an 5 e-mail and a model agreement from a Michelle 6 Panizza at Blue Mountain Realty. 7 Do you recall forwarding this 8 document to the Skeanses? 9 A. Yes, roughly. 10 Q. Why did you forward it to them? 11 A. The Skeanses had been asking for 12 an opportunity to meet Greg, which is why they 13 flew out to California and met with Greg and 14 myself and spent quite a bit of time looking at 15 this investment opportunity with Greg and Blue 16 Mountain. 17 Q. Well, that trip to California 18 took place before April of 2015, right? 19 A. I would hope so. Yeah, they -- 20 yeah, they wouldn't send documents before they 21 met each other. 22 Q. You indicated that you were the 23 one who decided not to proceed with any 24 business venture involving the Skeanses' and</p>	<p style="text-align: right;">Page 228</p> <p>1 previously marked P-57. 2 MR. MAHONEY: Great. Thank you. 3 BY MR. MAHONEY: 4 Q. Mr. Billingsley, this is an 5 e-mail exchange between you and Mr. Miller, 6 dated April 18th -- I'm sorry, his e-mail to 7 you is April 18th of 2015. You respond on 8 April 21st. And he's providing you with a 9 overview of, quote, the number to date. And he 10 talks about Chicago home investments and 11 various other properties that presumably 12 Allwest was invested in. 13 Is that your understanding, that 14 Allwest had used Mr. Pavlis' funds to invest in 15 each of these properties or groups of 16 properties? 17 A. Is it my understanding? Yes. 18 Q. Okay. And you wrote back to him 19 on the 21st. "Dear Gary, If I can get the 20 financial relationship with Allwest and the 21 \$7 million Allwest you have had over the last 22 year to be backdated as we spoke, how does 23 ownership of Allwest get organized going 24 forward?"</p>
<p style="text-align: right;">Page 227</p> <p>1 Mr. Pavlis' money in early 2014 because you 2 believed, I think your words were, that 3 Ms. Skeans had become increasingly unstable and 4 aggressive. 5 Do you recall that? 6 A. Yes. 7 Q. So if that's the case, why were 8 you considering some dealings with them over a 9 year later? 10 A. Why was it a year later? I see 11 April 2015. 12 Q. Yes. You said this is why you 13 didn't pursue some venture that you had 14 originally proposed to them back in early 2014, 15 before Mr. Pavlis invested his \$6 million. 16 A. Yeah. It's -- so it was quite a 17 bit of time after April 15th, 2015 when things 18 started to look so ugly. 19 Q. So it was after April 2015; is 20 that right? 21 A. Correct. 22 MR. MAHONEY: Gotcha. Okay. 23 Cam, can you put up 295, please. 24 MS. REDFERN: This was</p>	<p style="text-align: right;">Page 229</p> <p>1 What were you referring to there 2 when you were talking about getting the 3 financial relationship with Allwest and the 4 \$7 million that Allwest had to be backdated? 5 A. What I'm referring to in what 6 sense, the financial relationship? 7 Q. Presumably you meant it. So 8 what did you mean by writing this? 9 A. So this was related to the 10 conversation explained earlier, that we were 11 constantly contemplating as to whether or not I 12 would end up owning Allwest and phasing Gary 13 out or if that wouldn't happen. 14 Q. But what does backdating 15 anything have to do with that? 16 A. Just backdating the 17 relationship, backdating the circumstances. 18 Get everything basically going back and 19 starting over. If I ended up owning Allwest, 20 then we would reconsider. 21 Q. So were you proposing that you 22 would backdate documents? 23 MR. GREEN: Object to form. 24 A. No. Just circumstances.</p>

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<p style="text-align: right;">Page 230</p> <p>1 BY MR. MAHONEY:</p> <p>2 Q. How do you backdate</p> <p>3 circumstances in a business relationship</p> <p>4 without backdating documents?</p> <p>5 A. Just go back and reconsider</p> <p>6 circumstances at an earlier date.</p> <p>7 Q. Again, I don't know what that</p> <p>8 means.</p> <p>9 A. So going back to -- going back</p> <p>10 to an earlier circumstance. And at this point,</p> <p>11 we had gone through, as I had explained, it</p> <p>12 feels like, countless times now, many, many</p> <p>13 iterations of what we were trying to get done.</p> <p>14 So this sentence inferred if --</p> <p>15 if -- if I were to just end up with ownership</p> <p>16 with Allwest, then we would basically reset,</p> <p>17 restart our thinking and how we would structure</p> <p>18 everything.</p> <p>19 Q. So as of April of 2015, fair to</p> <p>20 say that you did not have a firm understanding</p> <p>21 or agreement between Key Commercial and</p> <p>22 Allwest?</p> <p>23 MR. GREEN: Object to form.</p> <p>24 A. No, that's not true at all. Key</p>	<p style="text-align: right;">Page 232</p> <p>1 you wrote that it's becoming clear that you</p> <p>2 need to keep the original deal in place for</p> <p>3 Frank's money?</p> <p>4 A. Yeah, I -- we were having so</p> <p>5 many phone conversations, the context of this</p> <p>6 is the only thing that would define its</p> <p>7 meaning.</p> <p>8 Q. I don't know what that means.</p> <p>9 What do you mean by that?</p> <p>10 A. The context of our discussions</p> <p>11 verbally is the only thing that would define</p> <p>12 what that would mean.</p> <p>13 Q. Well, what were the contexts of</p> <p>14 your discussions verbally, then?</p> <p>15 A. I don't recall. It's just too</p> <p>16 long ago.</p> <p>17 Q. You don't know what you're</p> <p>18 referring to here when you talk about "the</p> <p>19 original deal in place for Frank's money"; is</p> <p>20 that right?</p> <p>21 A. It could have meant many</p> <p>22 different things in this -- in this e-mail.</p> <p>23 Q. So the answer is, you don't</p> <p>24 recall, correct?</p>
<p style="text-align: right;">Page 231</p> <p>1 Commercial was thriving and established. Gary</p> <p>2 was trying to convince me to change things, to</p> <p>3 reconsider things. And so that's what this</p> <p>4 discussion was about.</p> <p>5 MR. MAHONEY: All right. Cam,</p> <p>6 061, please.</p> <p>7 MS. REDFERN: This will be P-74.</p> <p>8 - - -</p> <p>9 (Whereupon, Exhibit P-74 is</p> <p>10 marked for identification.)</p> <p>11 - - -</p> <p>12 BY MR. MAHONEY:</p> <p>13 Q. Mr. Billingsley, this is another</p> <p>14 e-mail exchange between you and Mr. Miller.</p> <p>15 You write to him on May 11th, 2015. The</p> <p>16 subject is, "Financial relationship with</p> <p>17 Frank."</p> <p>18 And you write, "Dear Gary, It is</p> <p>19 becoming clear that we are going to need to</p> <p>20 keep the original deal in place for Frank's</p> <p>21 money. When can you talk today?"</p> <p>22 And he writes back, "Anytime.</p> <p>23 Now is okay."</p> <p>24 What were you referring to when</p>	<p style="text-align: right;">Page 233</p> <p>1 MR. GREEN: Objection. Asked</p> <p>2 and answered.</p> <p>3 You can answer.</p> <p>4 A. I believe it could have meant</p> <p>5 many different things.</p> <p>6 BY MR. MAHONEY:</p> <p>7 Q. When did you first meet David</p> <p>8 Wyllie?</p> <p>9 A. I remember the time frame. It</p> <p>10 would have been pretty early on. Darbin and</p> <p>11 Debby introduced me to David. I would ballpark</p> <p>12 it maybe late 2012, early 2013. Actually, I</p> <p>13 believe it would almost -- almost have to be</p> <p>14 sometime throughout 2012.</p> <p>15 Q. Do you recall having any</p> <p>16 dealings with Mr. Wyllie with regard to</p> <p>17 Mr. Pavlis' assets or his estate?</p> <p>18 A. Can you explain "dealings"?</p> <p>19 MR. MAHONEY: Yes. Cam, put up</p> <p>20 CHRON304.</p> <p>21 MS. REDFERN: This will be P-75.</p> <p>22 MR. MAHONEY: Thank you.</p> <p>23 - - -</p> <p>24 (Whereupon, Exhibit P-75 is</p>

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<p style="text-align: right;">Page 234</p> <p>1 marked for identification.)</p> <p>2 ---</p> <p>3 BY MR. MAHONEY:</p> <p>4 Q. Mr. Billingsley, this is an</p> <p>5 e-mail exchange between you and a gentleman</p> <p>6 named Irwin Warren in July of 2015.</p> <p>7 Who is Mr. Warren?</p> <p>8 A. I believe Mr. Warren was an</p> <p>9 attorney that I was introduced to by Don</p> <p>10 Bivens.</p> <p>11 Q. And I apologize, the bottom of</p> <p>12 this begins with an e-mail exchange between you</p> <p>13 and another attorney in Philadelphia, William</p> <p>14 Hangley. And on July 13th, you wrote to</p> <p>15 Mr. Hangley, Mr. Warren and some others,</p> <p>16 including Mr. Bivens and Wyllie, "David and I</p> <p>17 would like to bring Frank to meet you in the</p> <p>18 interests of advancing discussion with you</p> <p>19 connected to his estate."</p> <p>20 Why did you want to meet with</p> <p>21 Mr. Hangley or anyone else about Mr. Pavlis'</p> <p>22 estate in July of 2015?</p> <p>23 A. The -- Mr. Wyllie had some</p> <p>24 concerns. I'm trying to remember the details.</p>	<p style="text-align: right;">Page 236</p> <p>1 meeting?</p> <p>2 A. I certainly didn't go to the</p> <p>3 meeting. I was looking to support Frank and</p> <p>4 his then power of attorney that I knew Darbin</p> <p>5 and Debby to support. They're the ones that</p> <p>6 insisted David become the power of attorney.</p> <p>7 And David seemed to have legal questions.</p> <p>8 So I asked my attorney for</p> <p>9 the -- a referral. They set up a meeting. And</p> <p>10 then from what I understood, David took Frank</p> <p>11 to the meeting. I don't believe I knew</p> <p>12 anything past that.</p> <p>13 Q. Mr. Wyllie didn't tell you what</p> <p>14 took place at the meeting or as a result of the</p> <p>15 meeting?</p> <p>16 A. I believe that we talked. I</p> <p>17 believe that he had come to the conclusion that</p> <p>18 things were okay, that things were good. His</p> <p>19 concerns were put to rest pretty well, from</p> <p>20 what I understood.</p> <p>21 MR. MAHONEY: Okay. Cam, put up</p> <p>22 CHRON307 and 308, please.</p> <p>23 MS. REDFERN: These will be P-76</p> <p>24 together.</p>
<p style="text-align: right;">Page 235</p> <p>1 I remember that Mr. Wyllie had asked me a lot</p> <p>2 of questions I didn't know answers to. I went</p> <p>3 to Don Bivens, and he referred me to</p> <p>4 Mr. Hangley. And Mr. Hangley referred me to</p> <p>5 Mr. Irwin.</p> <p>6 Q. What was the nature of the</p> <p>7 questions that he asked you?</p> <p>8 A. I don't recall specifically. He</p> <p>9 wanted to know how to do a good job at what he</p> <p>10 was going to try to do. He wanted to know --</p> <p>11 have verification that Frank's current</p> <p>12 brokerage was doing things right and doing a</p> <p>13 good job and wanted to understand some things</p> <p>14 about Frank's trust. Just general care and</p> <p>15 concern matters, is what I understood it to be,</p> <p>16 that he was trying to review and think through.</p> <p>17 Q. Well, why is it that you</p> <p>18 initiated some contact with Mr. Hangley? And</p> <p>19 then it looks like, if you scroll up in the</p> <p>20 e-mail exchange, it looks like you scheduled a</p> <p>21 meeting with Mr. Hangley and Mr. Irwin to</p> <p>22 discuss Mr. Pavlis' estate.</p> <p>23 A. So what was the question?</p> <p>24 Q. Yes. Why did you schedule that</p>	<p style="text-align: right;">Page 237</p> <p>1 MR. MAHONEY: Thank you.</p> <p>2 ---</p> <p>3 (Whereupon, Exhibit P-76 is</p> <p>4 marked for identification.)</p> <p>5 ---</p> <p>6 BY MR. MAHONEY:</p> <p>7 Q. Mr. Billingsley, this is an</p> <p>8 e-mail, August 24th, 2015, from you to</p> <p>9 Mr. Wyllie. The subject is, "POA," power of</p> <p>10 attorney.</p> <p>11 And you write, "Dear David,</p> <p>12 Please let me know that you received this.</p> <p>13 Thank you."</p> <p>14 And if we turn to the</p> <p>15 attachment, this is an unsigned form of Durable</p> <p>16 Power of Attorney purporting to make Mr. Wyllie</p> <p>17 the POA for Mr. Pavlis.</p> <p>18 Why were you sending Mr. Wyllie</p> <p>19 an unsigned draft or an unsigned copy of a</p> <p>20 durable power of attorney between him and</p> <p>21 Mr. Pavlis?</p> <p>22 A. I don't recall the details.</p> <p>23 If -- if I remember right, he wanted to see</p> <p>24 additional documents maybe to compare with his.</p>

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<p style="text-align: right;">Page 238</p> <p>1 I don't recall the details.</p> <p>2 Q. Do you know whether Mr. Wyllie</p> <p>3 was, in fact, the power of attorney for</p> <p>4 Mr. Pavlis as of August 24th of 2015 or not?</p> <p>5 A. As of August 2015. I don't</p> <p>6 recall. I -- I don't recall definitively. I</p> <p>7 seem to remember me asking him to send me an</p> <p>8 executed power of attorney if I was going to be</p> <p>9 interacting with him going forward in</p> <p>10 connection with Frank's investments. I feel</p> <p>11 like he sent those to me, but I -- I don't</p> <p>12 remember.</p> <p>13 Q. But my question is, why are you</p> <p>14 sending this to him?</p> <p>15 A. I believe in a phone</p> <p>16 conversation, he had asked for it. He had</p> <p>17 said, hey, do you have any documents I can look</p> <p>18 at. I want to -- I want to say I remember that</p> <p>19 he wanted documents to compare with stuff that</p> <p>20 his attorney was giving him.</p> <p>21 Q. Do you recall whether Mr. Wyllie</p> <p>22 and/or you made any effort to move Mr. Pavlis'</p> <p>23 assets away from Glenmede Trust to another</p> <p>24 institution, in particular Fidelity?</p>	<p style="text-align: right;">Page 240</p> <p>1 Do you recall meeting with</p> <p>2 Mr. Pavlis in or around July of 2015 with</p> <p>3 Mr. Wyllie as well?</p> <p>4 A. No, I don't have any</p> <p>5 recollection of that. And I have no reason to</p> <p>6 believe that this is Mr. Pavlis' handwriting.</p> <p>7 Q. Do you have reason to doubt that</p> <p>8 it's Mr. Pavlis' handwriting?</p> <p>9 A. Sure.</p> <p>10 Q. And what's your basis for saying</p> <p>11 that you doubt it is?</p> <p>12 A. Because it was produced by you.</p> <p>13 Q. Okay. Anything else besides</p> <p>14 that?</p> <p>15 A. That it defends and supports</p> <p>16 your horrible allegations. Yeah, that's the</p> <p>17 basis for it.</p> <p>18 Q. How does this defend and support</p> <p>19 my horrible allegations?</p> <p>20 A. Because you have it up on the</p> <p>21 screen.</p> <p>22 Q. Okay. Is there anything in the</p> <p>23 substance here that you can read that makes you</p> <p>24 think that it's not Mr. Pavlis or not his</p>
<p style="text-align: right;">Page 239</p> <p>1 A. I remember there was a moment</p> <p>2 when Debby was very, very angry and had</p> <p>3 mentioned something about that type of</p> <p>4 accusation. I had never -- I had never seen</p> <p>5 any details on it, that I can remember.</p> <p>6 Q. Do you know whether Mr. Wyllie</p> <p>7 took any steps to move those assets away from</p> <p>8 Glenmede?</p> <p>9 A. The only thing I could know of</p> <p>10 that he did was meet with the attorneys that I</p> <p>11 made introduction for.</p> <p>12 MR. MAHONEY: Cam, can you put</p> <p>13 up CHRON136, please.</p> <p>14 MS. REDFERN: This will be P-77.</p> <p>15 ---</p> <p>16 (Whereupon, Exhibit P-77 is</p> <p>17 marked for identification.)</p> <p>18 ---</p> <p>19 BY MR. MAHONEY:</p> <p>20 Q. Mr. Billingsley, I will</p> <p>21 represent to you that at least the top portion</p> <p>22 of this are Mr. Pavlis' notes. And it purports</p> <p>23 to be notes of a visit that Justin and David</p> <p>24 made on July 23rd of 2015.</p>	<p style="text-align: right;">Page 241</p> <p>1 writing, rather?</p> <p>2 A. Nothing that would make me think</p> <p>3 it is.</p> <p>4 Q. Do you recall advising</p> <p>5 Mr. Pavlis or at least discussing with him that</p> <p>6 he should give all of his Air Products shares</p> <p>7 to Watchtower and then sell off his remaining</p> <p>8 shares and buy bonds because they were lower</p> <p>9 risk? Do you recall a discussion along those</p> <p>10 lines?</p> <p>11 A. I remember I met with Mr. Pavlis</p> <p>12 once or twice with Darbin. And Darbin had</p> <p>13 spoken to Mr. Pavlis about -- about that topic,</p> <p>14 yes.</p> <p>15 Q. So you don't recall having a</p> <p>16 discussion like that with Mr. Pavlis where</p> <p>17 Darbin Skeans was not present?</p> <p>18 A. No, I don't.</p> <p>19 MR. MAHONEY: Cam, scroll down</p> <p>20 to the next page or two. There's another</p> <p>21 handwritten note.</p> <p>22 BY MR. MAHONEY:</p> <p>23 Q. Do you recognize any writing on</p> <p>24 this page?</p>

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<p style="text-align: right;">Page 242</p> <p>1 A. No, I don't.</p> <p>2 Q. Do you see that somebody wrote,</p> <p>3 "Written by Justin on Tuesday, August 25th,</p> <p>4 2015"?</p> <p>5 A. I see that at the top, yeah.</p> <p>6 Q. Is that your writing where it</p> <p>7 says, "Does the Air Products stock get involved</p> <p>8 in any transactions with other investors?"</p> <p>9 A. Is that my writing? No, I don't</p> <p>10 have any reason to believe that's my writing.</p> <p>11 Q. Do you have any reason to</p> <p>12 understand why Mr. Pavlis would have written,</p> <p>13 "Written by Justin on Tuesday, August 25th,</p> <p>14 2015"?</p> <p>15 A. I don't believe he wrote that.</p> <p>16 Q. Who do you think wrote it?</p> <p>17 A. I think someone other than</p> <p>18 Mr. Pavlis.</p> <p>19 Q. Do you know who?</p> <p>20 A. I don't know who wrote that.</p> <p>21 Q. And then beneath that question,</p> <p>22 then it says, "Such as short selling options,</p> <p>23 puts or anything else that would involve</p> <p>24 another investor," it looks like it's the same</p>	<p style="text-align: right;">Page 244</p> <p>1 A. Equity Pros, similar to other</p> <p>2 entities, from my understanding, were to be</p> <p>3 operating entities.</p> <p>4 Q. Do you know how Equity Pros was</p> <p>5 funded?</p> <p>6 A. In what respect?</p> <p>7 Q. In any respect. How did it get</p> <p>8 the money that it used to conduct its business?</p> <p>9 A. I believe money came in from</p> <p>10 transactions. Money was funded from Key.</p> <p>11 Money was funded from -- depending upon the</p> <p>12 transaction, from what I understood, if cash</p> <p>13 was generated, it was passed to Equity Pros</p> <p>14 as -- as the operating entity.</p> <p>15 Q. Did you keep Mr. Pavlis informed</p> <p>16 as you created Equity Pros?</p> <p>17 And you may recall from</p> <p>18 Mr. Self's deposition, there were a number of</p> <p>19 other entities that were created. Did you keep</p> <p>20 Mr. Pavlis informed of all that?</p> <p>21 A. I believe I did get advice from</p> <p>22 counsel that it would make sense not only from</p> <p>23 an asset protection standpoint, but also in the</p> <p>24 event that we would be able to move into being</p>
<p style="text-align: right;">Page 243</p> <p>1 writing as whoever wrote "Written by Justin."</p> <p>2 Then it says, "FEP called Glenmede (Brian</p> <p>3 Green)," there's a phone number and continues,</p> <p>4 "And asked" -- it looks like "same (Justin)</p> <p>5 question," or maybe "above question." I can't</p> <p>6 quite make that out. And it concludes by</p> <p>7 writing, "Answer no."</p> <p>8 Is it still your contention that</p> <p>9 you didn't write that question for Mr. Pavlis</p> <p>10 to ask of Glenmede?</p> <p>11 A. I don't believe that this is my</p> <p>12 handwriting or Frank's, no.</p> <p>13 MR. MAHONEY: All right. You</p> <p>14 can get rid of that, Cam.</p> <p>15 Thank you.</p> <p>16 BY MR. MAHONEY:</p> <p>17 Q. Why did you, or more correctly,</p> <p>18 I think, why did Chad Self form Equity</p> <p>19 Partners, LLC -- I'm sorry, Equity Pros, LLC?</p> <p>20 Forgive me.</p> <p>21 A. On the advice of counsel.</p> <p>22 Q. All right. What was your</p> <p>23 understanding as to why that entity needed to</p> <p>24 be formed?</p>	<p style="text-align: right;">Page 245</p> <p>1 acquired or merged or sold, to be able to sell</p> <p>2 one of our entities and to bundle the</p> <p>3 technology that was appropriate to that</p> <p>4 business model in each entity.</p> <p>5 So from what I understand, there</p> <p>6 was quite a lot of tax planning, quite a lot of</p> <p>7 business strategic thinking that was tied up in</p> <p>8 there.</p> <p>9 Q. That wasn't my question.</p> <p>10 The question was, did you keep</p> <p>11 Mr. Pavlis apprised of developments --</p> <p>12 A. Oh.</p> <p>13 Q. -- relating to his investment?</p> <p>14 A. Yes, I believe we did discuss.</p> <p>15 Counsel was giving developments of how things</p> <p>16 were moving along and all the details related</p> <p>17 to that, yes.</p> <p>18 Q. And again, this is now 2016.</p> <p>19 This is, according to you, a couple years after</p> <p>20 Mr. Pavlis agreed that ultimately Key</p> <p>21 Commercial would be in possession of his</p> <p>22 \$7 million investment. And not a single</p> <p>23 written report to Mr. Pavlis? Is that your</p> <p>24 testimony?</p>

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<p style="text-align: right;">Page 246</p> <p>1 MR. GREEN: Object to form.</p> <p>2 BY MR. MAHONEY:</p> <p>3 Q. You can answer, Mr. Billingsley.</p> <p>4 A. I know on several of our</p> <p>5 meetings, I would provide written reports to</p> <p>6 Mr. Pavlis. We would look at them. We would</p> <p>7 talk about them. We would go out to breakfast.</p> <p>8 We would go out to lunch. And I would ask him</p> <p>9 if he'd like to keep it. He'd say no, you just</p> <p>10 keep it.</p> <p>11 Q. So he never wanted to keep any</p> <p>12 of that information; is that your testimony?</p> <p>13 A. No, he didn't. Not after things</p> <p>14 were moving along and --</p> <p>15 Q. How about the -- I'm sorry.</p> <p>16 Finish.</p> <p>17 A. No, not after things were moving</p> <p>18 along. At the beginning, you know, we did give</p> <p>19 him documents and he did keep them. And then</p> <p>20 at a certain point, he just wanted me to take</p> <p>21 it all back. He was fastidious about things</p> <p>22 cluttering up. And he was getting ready to</p> <p>23 move. So he was, for a long time, preparing</p> <p>24 for that.</p>	<p style="text-align: right;">Page 248</p> <p>1 A. Yes.</p> <p>2 Q. What do you recall telling her</p> <p>3 about Mr. Pavlis' investments, when she first</p> <p>4 began asking?</p> <p>5 A. I was quite cautious at the</p> <p>6 beginning. It felt inappropriate and dirty for</p> <p>7 Debby to become the power of attorney, given</p> <p>8 how hard she had solicited Frank for money,</p> <p>9 given how involved she was in Frank.</p> <p>10 And at some point, I grew quite</p> <p>11 worried of her connection with Sperry Van Ness</p> <p>12 platform that was in direct competition to all</p> <p>13 that I was building with Frank's money.</p> <p>14 So I was very cautious. Debby</p> <p>15 never provided any documentation as to her</p> <p>16 being a power of attorney for a very, very long</p> <p>17 time. So I was just continuing to be as</p> <p>18 cautious as I could with Debby.</p> <p>19 Q. But you did provide her some</p> <p>20 information, right?</p> <p>21 A. Eventually, I believe I did.</p> <p>22 MR. MAHONEY: Cam, let's put up</p> <p>23 311 and 312.</p> <p>24 MS. REDFERN: Together these</p>
<p style="text-align: right;">Page 247</p> <p>1 Q. Again, you're talking about his</p> <p>2 move into Legacy Place?</p> <p>3 A. Correct.</p> <p>4 Q. How about once he moved to</p> <p>5 Legacy Place, did he tell you that he still</p> <p>6 didn't want to have any documents?</p> <p>7 A. I don't know that he said that.</p> <p>8 We -- after we talked about it several times,</p> <p>9 we didn't just continue to talk about it. So I</p> <p>10 don't recall that topic coming up again in our</p> <p>11 later discussions.</p> <p>12 Q. Do you recall that Debby Skeans</p> <p>13 became Mr. Pavlis' power of attorney sometime</p> <p>14 in late March of 2016?</p> <p>15 Does that sound about right?</p> <p>16 A. Yeah. I don't know. I don't</p> <p>17 have any understanding of the time frame.</p> <p>18 Q. Well, you know at some point,</p> <p>19 she became power of attorney, correct?</p> <p>20 A. Correct.</p> <p>21 Q. And after she became power of</p> <p>22 attorney, you recall her asking you for</p> <p>23 information about Mr. Pavlis' investments,</p> <p>24 right?</p>	<p style="text-align: right;">Page 249</p> <p>1 will be P-78.</p> <p>2 MR. MAHONEY: Thank you.</p> <p>3 ---</p> <p>4 (Whereupon, Exhibit P-78 is</p> <p>5 marked for identification.)</p> <p>6 ---</p> <p>7 BY MR. MAHONEY:</p> <p>8 Q. Mr. Billingsley, this is a</p> <p>9 May 11th, 2016 e-mail from you to Debby Skeans.</p> <p>10 The subject is, "Frank's inventory." And you</p> <p>11 attach a document from Equity Pros.</p> <p>12 And your cover e-mail says,</p> <p>13 "Dear Debby, Sorry for delay. Please see</p> <p>14 attached."</p> <p>15 Why were you sending her this</p> <p>16 information relating to what you call Frank's</p> <p>17 inventory?</p> <p>18 A. She had requested it.</p> <p>19 Q. Well, what did she actually</p> <p>20 request?</p> <p>21 A. How Frank's money was invested.</p> <p>22 Q. Okay. And so you provided this</p> <p>23 to her. And if I add this up, it's roughly</p> <p>24 \$3 million of total cost.</p>

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<p style="text-align: right;">Page 250</p> <p>1 Did you say anything to</p> <p>2 Ms. Skeans, when she asked how Mr. Pavlis'</p> <p>3 money was invested, that, in fact, it was</p> <p>4 invested through a company that you owned, Key</p> <p>5 Commercial?</p> <p>6 MR. GREEN: Object to form.</p> <p>7 THE WITNESS: Can you rephrase</p> <p>8 the question, Mr. Mahoney, so I can</p> <p>9 understand it better?</p> <p>10 BY MR. MAHONEY:</p> <p>11 Q. Yes. When Ms. Skeans asked you</p> <p>12 for information on Frank's investments on or</p> <p>13 before May 11th of 2016, did you inform her at</p> <p>14 all that Mr. Pavlis had invested in Key</p> <p>15 Commercial Finance, a company that you</p> <p>16 controlled?</p> <p>17 A. No. I believe at this time, I</p> <p>18 was still operating from the position of</p> <p>19 caution. At this point, she had shown herself</p> <p>20 to be quite unstable. And I had still -- I</p> <p>21 believe at this point, I still had not seen any</p> <p>22 documented legal proof or evidence that she was</p> <p>23 Frank's power of attorney.</p> <p>24 Q. Well, then why did you provide</p>	<p style="text-align: right;">Page 252</p> <p>1 A. Yeah, I don't think it was that</p> <p>2 fact pattern at all. Debby simply requested an</p> <p>3 update. I don't remember the exact terminology</p> <p>4 that she used. But whatever she requested, I</p> <p>5 believe that this was a -- an adequate</p> <p>6 response.</p> <p>7 Q. Do you have any reason to think</p> <p>8 that Ms. Skeans knew, prior to you sending this</p> <p>9 to her, how much Mr. Pavlis had invested or</p> <p>10 where he had invested that money?</p> <p>11 A. I have no idea what Mrs. Skeans</p> <p>12 knew.</p> <p>13 Q. Do you recall, throughout the</p> <p>14 course of 2016 and into 2017, both Mr. and</p> <p>15 Mrs. Skeans repeatedly asked you to come to</p> <p>16 Allentown and visit Frank, and you repeatedly</p> <p>17 chose not to come, for whatever reason?</p> <p>18 MR. GREEN: Object to form.</p> <p>19 A. You're asking me if I remember?</p> <p>20 BY MR. MAHONEY:</p> <p>21 Q. Yes.</p> <p>22 A. Yeah, I don't believe that's the</p> <p>23 way it went. I don't believe I chose not to</p> <p>24 come.</p>
<p style="text-align: right;">Page 251</p> <p>1 her even with this information? Why didn't you</p> <p>2 say, Debby, until I'm convinced that you are</p> <p>3 actually Frank's power of attorney, I think</p> <p>4 it's inappropriate that I share any</p> <p>5 information?</p> <p>6 A. Yes, Debby was quite a powder</p> <p>7 keg. I was trying real hard not to provoke her</p> <p>8 and keep things non-adversarial.</p> <p>9 Q. So how did providing some</p> <p>10 information about Mr. Pavlis' investment, but</p> <p>11 not all of it, how did that accomplish that</p> <p>12 goal?</p> <p>13 MR. GREEN: Object to form.</p> <p>14 A. I believe it accomplished that</p> <p>15 goal.</p> <p>16 BY MR. MAHONEY:</p> <p>17 Q. How?</p> <p>18 A. That she got a report that she</p> <p>19 requested.</p> <p>20 Q. Okay. But you said she</p> <p>21 requested information relating to his</p> <p>22 investments, right? And you only gave her</p> <p>23 information relating to part of his investment.</p> <p>24 And I'd like to know why.</p>	<p style="text-align: right;">Page 253</p> <p>1 Q. Did you meet with Mr. Pavlis in</p> <p>2 person at any point between May of 2016 and,</p> <p>3 let's say, the end of that year?</p> <p>4 A. Yeah, I -- I don't recall. I</p> <p>5 recall I was willing. I recall there was a</p> <p>6 couple of times when I tried to come down and</p> <p>7 they were going on a cruise. And then Debby</p> <p>8 had delegated that meeting to someone I didn't</p> <p>9 know, someone that worked for her. And I</p> <p>10 didn't feel comfortable with that.</p> <p>11 So we had decided until they got</p> <p>12 back from their very, very lengthy cruise -- I</p> <p>13 think they went on -- it was at least two one-</p> <p>14 or two-month cruises during that time frame,</p> <p>15 maybe even three. There were very prolonged</p> <p>16 periods of time that they were out-of-town.</p> <p>17 And despite my attempts to come down and meet</p> <p>18 with them, also, they were unavailable.</p> <p>19 Q. So fair to say, then, you don't</p> <p>20 recall meeting with Mr. Pavlis from May through</p> <p>21 December of 2016?</p> <p>22 A. I don't remember. I -- I have a</p> <p>23 very foggy recollection. I thought that we</p> <p>24 might have. But I'm having a hard time</p>

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<p style="text-align: right;">Page 254</p> <p>1 gathering it. So I can't quite gather it right 2 now. I seem to have a small recollection that 3 we did. 4 Q. But no specifics, right, in 5 terms of -- 6 A. Not as I sit here. 7 Q. Are you familiar with a project 8 referred to as 866 Regal Street? 9 A. 866 Regal? 10 Q. Yes. 11 A. Yes, I believe I am. 12 Q. And what's your understanding of 13 that project? 14 A. If you could put that form back 15 up and let me verify if that was our big 16 custom-build. I'm pretty sure it was. So if 17 it was the big custom-build, that was a project 18 where we had bought -- I think we bought a 19 lot -- 20 THE WITNESS: Thank you, Cam. 21 A. (Continuing) Yeah, 866 Regal. 22 So we had bought a lot, tore down the house, 23 re-subdivided the lot, and built a custom spec 24 home.</p>	<p style="text-align: right;">Page 256</p> <p>1 MR. MAHONEY: Cam, let's put up 2 CHRON139. 3 MS. REDFERN: This will be P-79. 4 --- 5 (Whereupon, Exhibit P-79 is 6 marked for identification.) 7 --- 8 BY MR. MAHONEY: 9 Q. Mr. Billingsley, I'll represent 10 to you that this is a fax cover sheet from a 11 fax dated November 19th, 2016. At the upper 12 right-hand side, it says, "From: Christine 13 Lachapelle." It was "To: Debby Skeans." The 14 re line is "Frank Pavlis." And it says, "Dear 15 Debby, Please note Frank's docs." 16 Who was Christine Lachapelle? 17 A. She was someone that worked for 18 us. 19 Q. Do you know why she was faxing 20 to Ms. Skeans documents? And I'll represent to 21 you they are the September 21, 2014 Key 22 Commercial note for \$3 million and the 23 corresponding note subscription agreement. 24 A. That -- I don't know what she</p>
<p style="text-align: right;">Page 255</p> <p>1 BY MR. MAHONEY: 2 Q. Was that home ultimately sold 3 for a profit or a loss? 4 A. For a profit. 5 Q. Do you recall approximately how 6 much the profit was? 7 A. I don't recall. 8 Q. Do you recall when that property 9 was sold? 10 A. No, I don't recall. 11 Q. Assuming the property was sold 12 and there was a profit, would we expect to see 13 some amount of money related to that 14 transaction flow into Equity Pros' general 15 ledger? 16 A. Oh, absolutely, yeah. Every -- 17 every penny that was generated from Allwest, we 18 had Eide Bailly audit exhaustively every tiny 19 penny. And the gentleman there at Eide Bailly, 20 I forget his name, I think it was 21 Joshua-something, had spent a lot of time 22 making sure every penny that was given to 23 Allwest and every ounce -- every penny of the 24 profits were returned.</p>	<p style="text-align: right;">Page 257</p> <p>1 sent and nor do I know why. 2 Q. Do you recall Ms. Skeans 3 continuing, after receiving the information 4 that you sent in May for Equity Pros, 5 continuing to ask you about information 6 relating to Mr. Pavlis' investments? 7 A. This -- this document is dated 8 after litigation began. I would suppose that 9 you subpoenaed Christine for document 10 production. 11 Q. No. Litigation didn't begin 12 until 2018. This is dated 2016. 13 A. 2016. Sorry. I was looking at 14 2019. But it's just 11/19. 15 Okay. So I got sidetracked 16 there. Sorry, Mr. Mahoney. What was your 17 question? 18 Q. You recall Ms. Skeans asking for 19 additional information relating to Mr. Pavlis' 20 investment, right? 21 A. Yes. 22 Q. And isn't it true that you told 23 Ms. Lachapelle to send the documents relating 24 to the September 1, 2014 promissory note to</p>

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<p style="text-align: right;">Page 258</p> <p>1 Ms. Skeans in or around mid-November 2016?</p> <p>2 A. I wouldn't submit to that. I</p> <p>3 don't know what she sent.</p> <p>4 Q. Okay. Well, if you turn to</p> <p>5 the --</p> <p>6 MR. MAHONEY: Cam, just flip</p> <p>7 through it quickly.</p> <p>8 BY MR. MAHONEY:</p> <p>9 Q. What she sent is exactly what I</p> <p>10 just said, which is a copy of the September 1,</p> <p>11 2014 note and corresponding note purchase</p> <p>12 agreement.</p> <p>13 A. Okay.</p> <p>14 Q. My question is, did you ask or</p> <p>15 direct Ms. Lachapelle to send that to</p> <p>16 Ms. Skeans?</p> <p>17 A. I don't recall.</p> <p>18 Q. Do you know why Ms. Lachapelle</p> <p>19 would be sending to Ms. Skeans in November 2016</p> <p>20 documents relating to the \$3 million note, but</p> <p>21 not documents relating to the \$4 million note?</p> <p>22 A. I wouldn't think that something</p> <p>23 was withheld. If we're going to send this, why</p> <p>24 wouldn't we send both?</p>	<p style="text-align: right;">Page 260</p> <p>1 everything in our power to develop the best</p> <p>2 opportunities we could. And investing in</p> <p>3 Mobile Corp. was an important part of that.</p> <p>4 Q. Were you aware that when</p> <p>5 Mr. Pavlis invested the \$2 million in Mobile</p> <p>6 Corp. back in September of 2014, that Mobile</p> <p>7 Corp. had virtually no money?</p> <p>8 MR. GREEN: Object to form.</p> <p>9 A. I would have no way of knowing</p> <p>10 that. I never had access to that information</p> <p>11 at all.</p> <p>12 BY MR. MAHONEY:</p> <p>13 Q. Did you have any sense of how</p> <p>14 Mobile Corp. was doing while you were acting as</p> <p>15 its president or in some other capacity?</p> <p>16 A. Yeah. The audited financials</p> <p>17 that -- by -- they had audited financials from</p> <p>18 a huge accounting firm, EKSH, I believe. The</p> <p>19 members of the board that I would occasionally</p> <p>20 speak to gave lots of encouraging remarks. The</p> <p>21 CEO was highly enthusiastic. So everyone I</p> <p>22 spoke to was highly enthusiastic about the</p> <p>23 project.</p> <p>24 Q. Are you surprised to learn that</p>
<p style="text-align: right;">Page 259</p> <p>1 Q. Well, that's a good question.</p> <p>2 But she didn't. So I'm asking why.</p> <p>3 A. No, I -- I don't have any</p> <p>4 recollection of this. The documents were</p> <p>5 available at any time. Now that my attorneys</p> <p>6 were working with us on the documents, it</p> <p>7 was -- it was not a secret in any respect.</p> <p>8 Q. Did you ever tell Debby Skeans</p> <p>9 that there was a second note?</p> <p>10 A. I don't -- I don't recall at</p> <p>11 all.</p> <p>12 Q. I think you mentioned earlier</p> <p>13 something about an investment in Mobile Corp.</p> <p>14 Do you recall investing</p> <p>15 approximately a half a million dollars of the</p> <p>16 money that you received or Key Commercial</p> <p>17 received from Mr. Pavlis into some form of</p> <p>18 investment with Mobile Corp.?</p> <p>19 MR. GREEN: Object to form.</p> <p>20 A. You're asking if I recall</p> <p>21 investing in Mobile Corp.?</p> <p>22 BY MR. MAHONEY:</p> <p>23 Q. Yes.</p> <p>24 A. Yes, I believe we were doing</p>	<p style="text-align: right;">Page 261</p> <p>1 they had almost no money in the bank at the</p> <p>2 time that Mr. Pavlis invested \$2 million in</p> <p>3 September 2016?</p> <p>4 MR. GREEN: Object to form.</p> <p>5 A. I don't remember how I felt at</p> <p>6 the time about -- you're asking me if I'm</p> <p>7 surprised to learn now?</p> <p>8 BY MR. MAHONEY:</p> <p>9 Q. Yes.</p> <p>10 A. Oh. No, not necessarily. I</p> <p>11 don't think that -- I don't know how much money</p> <p>12 was raised at that point. I don't think it was</p> <p>13 much at all. And I know that there was an</p> <p>14 enormous amount of effort being put forth. So</p> <p>15 I'm sure there was expense related.</p> <p>16 MR. MAHONEY: Cam, would you</p> <p>17 mind putting up CHRON333.</p> <p>18 MS. REDFERN: This will be P-80.</p> <p>19 - - -</p> <p>20 (Whereupon, Exhibit P-80 is</p> <p>21 marked for identification.)</p> <p>22 - - -</p> <p>23 BY MR. MAHONEY:</p> <p>24 Q. While we're waiting for that,</p>

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<p style="text-align: right;">Page 266</p> <p>1 comfortable disclosing details. Please provide 2 proof that you are, in fact, the power of 3 attorney? 4 A. Yeah. Yeah. Looking back on 5 it, I wish I would have. 6 Q. Okay. 7 A. However, as I had mentioned, 8 Debby is -- is very volatile and erratic. And 9 I was working hard to do damage control to not 10 set her off. I was, in my opinion, working in 11 the best interests of keeping Frank's 12 investment safe and healthy and well-guarded 13 from those I didn't know to be authorized for 14 it. 15 Q. Okay. But you didn't bother to 16 ask the question. She's telling you that she 17 has the power of attorney, right? 18 You understood she had the power 19 of attorney? 20 A. It's not my duty to ask that 21 question. 22 MR. MAHONEY: Okay. Cam, would 23 you put up 345, please. 24 MS. REDFERN: This will be P-81.</p>	<p style="text-align: right;">Page 268</p> <p>1 did not get her number. Frank is concerned 2 about the call. Can you shed some light on 3 it?" 4 Do you recall receiving this 5 e-mail? 6 A. I don't recall receiving it. 7 But I'm reading it. I recall seeing it right 8 now. 9 MR. MAHONEY: Cam, go to 347, 10 please. I probably should have just 11 started with this one, actually, 12 but . . . 13 MS. REDFERN: This will be P-82. 14 - - - 15 (Whereupon, Exhibit P-82 is 16 marked for identification.) 17 - - - 18 BY MR. MAHONEY: 19 Q. This is the same two e-mails 20 that Ms. Skeans sent you. And then you reply 21 on September 15th of 2017. You say, "Dear 22 Debby, Hello and thank you for the e-mail. I 23 am also eager to catch up with you and hope all 24 is going well. As we have discussed a few</p>
<p style="text-align: right;">Page 267</p> <p>1 - - - 2 (Whereupon, Exhibit P-81 is 3 marked for identification.) 4 - - - 5 BY MR. MAHONEY: 6 Q. Mr. Billingsley, this is an 7 e-mail -- not exchange -- just two e-mails from 8 Mrs. Skeans. The first one is the December 7th 9 e-mail that I just went over with you. And 10 then she's sending a follow-up e-mail, or at 11 least a tag-along e-mail, on September 15th of 12 2017. 13 And she writes, "Justin, I've 14 been hoping to discuss the possible Allwest 15 investment with you. Your last communication 16 indicated it perhaps was not completed but I 17 did find in our files this paperwork that seems 18 to indicate Allwest Investments in Frank's 19 name. Please review and let me know how to 20 reconcile." 21 And then she says, "Frank also 22 received a call last week (he said it was a 23 woman from Arizona) related to some 24 investments. I cannot call her back since he</p>	<p style="text-align: right;">Page 269</p> <p>1 times, Frank's investment is with Key 2 Commercial Finance and always has been. Do you 3 remember all of the documents that I sent you 4 on Key Commercial Finance earlier in the year?" 5 So first off, what conversations 6 are you referring to when you say, "As we have 7 discussed a few times, Frank's investment is 8 with Key Commercial Finance"? 9 A. I must have been referring to 10 phone conversations that I had with her. 11 Q. Well, why would you be having a 12 phone conversation with her if you didn't trust 13 or believe that she was power of attorney? 14 MR. GREEN: Object to form. 15 A. Yeah, I had already sent the Key 16 docs. My impression was that all of the Key 17 docs were sent. And yeah, I was looking to -- 18 to satisfy Debby's questions as best I could. 19 BY MR. MAHONEY: 20 Q. When you say, "Do you remember 21 all the docs that I sent you on KCF earlier in 22 the year," is that what you're referring to? 23 A. I'm assuming. 24 Q. Okay. Did you ever discuss with</p>

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<p>1 MS. REDFERN: And we're on P-83. 2 --- 3 (Whereupon, Exhibit P-83 is 4 marked for identification.) 5 --- 6 MR. MAHONEY: Go down to the end 7 of that document, Cam. 8 MS. REDFERN: (Scrolling through 9 document.) 10 MR. MAHONEY: Okay. 11 BY MR. MAHONEY: 12 Q. So, Mr. Billingsley, this is an 13 e-mail exchange between or, rather, among you, 14 myself and Mr. Bivens. And we'll see on 15 May 19th, you write to me, "Based upon our 16 'your eyes only agreement,' please 17 consideration this presentation link to see 18 most of the platforms that we have built and 19 wholly own." 20 And then if you scroll up, you 21 follow up by saying, another e-mail to me, "As 22 it is important for me to know as soon as 23 possible if I am likely to get back on stable 24 footing with the Skeanses please let me know</p>	<p>1 Q. You'll see an e-mail from me to 2 you, Mr. Billingsley, copying Mr. Bivens. 3 MR. MAHONEY: Keep going up. 4 Right there. 5 BY MR. MAHONEY: 6 Q. You'll see on May 21st, I wrote, 7 "Mr. Billingsley, I've reviewed the attachments 8 you sent with your e-mail dated May 19th, and I 9 don't see how they provide any information 10 relating to the core issue - what happened to 11 Frank Pavlis' money?" And then I proceed to 12 indicate to you the types of documents that I 13 wanted to see. 14 MR. MAHONEY: Keep scrolling 15 back up toward the top. 16 BY MR. MAHONEY: 17 Q. I sent a follow-up e-mail on 18 June 7th -- 19 MR. MAHONEY: Cam, where are 20 you? I'm sorry. 21 MS. REDFERN: Yes, this thread 22 ends at this May e-mail. 23 MR. MAHONEY: All right. So 24 then I must have the wrong document. But</p>
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<p>1 your first convenience for a presentation 2 appointment this week." 3 And you are referring to you 4 wanting to run through the platform; is that 5 right? 6 A. I'm sorry, there was a big -- a 7 big distortion right there, the last three or 8 four words of your sentence. Would you mind? 9 Q. Yes. In this follow-up e-mail, 10 the presentation appointment, you were 11 referring to wanting to show me what Key 12 Commercial was all about, essentially the link 13 that you had provided in the prior e-mail, 14 right? 15 MR. GREEN: Object to form. 16 You can answer. 17 A. I don't know if that's right. I 18 don't remember what I meant in the context of 19 this sentence. I think, perhaps, I was also 20 looking to have a sit-down discussion with -- 21 with the Skeanses. 22 MR. MAHONEY: Okay. Cam, if you 23 scroll up. 24 BY MR. MAHONEY:</p>	<p>1 since we're here. 2 BY MR. MAHONEY: 3 Q. You write back, "Mr. Mahoney, 4 much if not all of the documents you are 5 looking forward are available. I will work 6 with Don to figure out how far down this rabbit 7 hole I want to go given my standing with 8 Frank's investments are sound and healthy." 9 So you believe the investments 10 were sound and healthy as of May 21st of 2018; 11 is that right? 12 A. Yeah, I believe I was -- 13 MR. GREEN: Object to form. 14 A. (Continuing) I believe I was 15 referring to the fact that neither of the notes 16 had come due. I hadn't known really in any 17 respect the degree and the damage that Debby's 18 slander had done. I was unaware of her work 19 with SFRhub, her motivations with SFRhub. So 20 things seemed to be on good footing at that 21 point. 22 MR. MAHONEY: Cam, would you 23 mind putting up 393, please. 24 MS. REDFERN: This will be P-84.</p>

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<p style="text-align: right;">Page 278</p> <p>1 - - -</p> <p>2 (Whereupon, Exhibit P-84 is</p> <p>3 marked for identification.)</p> <p>4 - - -</p> <p>5 BY MR. MAHONEY:</p> <p>6 Q. Okay. This is an e-mail from</p> <p>7 Mr. Bivens to me. It's dated Monday, June 25th</p> <p>8 of 2018. He copies you.</p> <p>9 And he writes, "Bill, Justin</p> <p>10 informs me that he has now tracked down and is</p> <p>11 immediately ready to produce to you the PPM and</p> <p>12 sub agreement for Key Commercial Finance given</p> <p>13 to Frank Pavlis, which was also reviewed and</p> <p>14 discussed with Frank's attorney Ed Lentz, and</p> <p>15 with the Skeanses, before Frank made his</p> <p>16 investments."</p> <p>17 Is that accurate? Did you or</p> <p>18 somebody else discuss the private placement</p> <p>19 memo and subscription agreement for Key</p> <p>20 Commercial with Ed Lentz and the Skeanses</p> <p>21 before Mr. Pavlis made his investments?</p> <p>22 A. I don't know what Don was</p> <p>23 referring to here. I didn't send this e-mail.</p> <p>24 Q. Right. But you received it.</p>	<p style="text-align: right;">Page 280</p> <p>1 Q. You have no idea what he's</p> <p>2 referring to here; is that your testimony?</p> <p>3 A. I didn't write that sentence. I</p> <p>4 don't know what Don was referring to.</p> <p>5 Q. I didn't ask you that either.</p> <p>6 I'm asking you if it's your</p> <p>7 testimony that you have no idea what he's</p> <p>8 referring to in that first sentence?</p> <p>9 MR. GREEN: Objection.</p> <p>10 Mischaracterizes his testimony. Object</p> <p>11 to form.</p> <p>12 BY MR. MAHONEY:</p> <p>13 Q. You can answer.</p> <p>14 A. Yeah. Sitting here trying to</p> <p>15 think through it, I -- I don't know what Don</p> <p>16 would have been referring to.</p> <p>17 Q. Okay. The last two sentences of</p> <p>18 Mr. Bivens' e-mail says, "Justin has also</p> <p>19 engaged an attorney, not our law firm, to</p> <p>20 produce a comprehensive Investors Report, that</p> <p>21 is nearly completed. The expectation is that</p> <p>22 the Investors Report will be ready to</p> <p>23 distribute next week."</p> <p>24 I'll represent to you that, to</p>
<p style="text-align: right;">Page 279</p> <p>1 Do you recall --</p> <p>2 A. You didn't ask if I received it,</p> <p>3 though. You asked about the context of that</p> <p>4 statement. I don't understand what Don was</p> <p>5 thinking at that point.</p> <p>6 Q. Well, you understood that I was</p> <p>7 still looking for documents, correct?</p> <p>8 A. I don't know that I would say I</p> <p>9 understood that. I believe we had already sent</p> <p>10 quite a bit of documentation to you so far.</p> <p>11 Q. So when he writes, "Justin</p> <p>12 informs me that he has now tracked down and is</p> <p>13 immediately ready to produce to you the PPM and</p> <p>14 sub agreement, are you saying that you don't</p> <p>15 believe you told him that?</p> <p>16 MR. GREEN: Object to form.</p> <p>17 A. Yeah. I don't know what Don</p> <p>18 meant by this sentence. I didn't write it.</p> <p>19 BY MR. MAHONEY:</p> <p>20 Q. So no idea? That's your</p> <p>21 testimony?</p> <p>22 A. What Don wrote?</p> <p>23 MR. GREEN: Object to the form.</p> <p>24 BY MR. MAHONEY:</p>	<p style="text-align: right;">Page 281</p> <p>1 my knowledge, we were never provided an</p> <p>2 investors report.</p> <p>3 What's your understanding as to</p> <p>4 the comprehensive investors report that</p> <p>5 Mr. Bivens is referring to?</p> <p>6 A. I don't -- I don't recall at</p> <p>7 this moment. If I remember right, we had</p> <p>8 spoken to a law firm. I know we had at this</p> <p>9 point engaged Eide Bailly. And I believe we</p> <p>10 were speaking through the Eide Bailly CPA,</p> <p>11 Joshua Hayes, I believe was his name. I</p> <p>12 believe he had introduced us to someone that</p> <p>13 could put together a big report, an attorney.</p> <p>14 So I think that's what we were looking at.</p> <p>15 Q. Are you aware of anyone</p> <p>16 preparing or at least beginning that</p> <p>17 comprehensive investors report?</p> <p>18 A. As I just explained, yeah, I</p> <p>19 remember us talking to somebody about it. I</p> <p>20 don't recall the details right now.</p> <p>21 Q. Okay. I'm not talking about a</p> <p>22 discussion.</p> <p>23 Do you recall laying eyes on</p> <p>24 either a completed investors report or a draft</p>

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<p style="text-align: right;">Page 282</p> <p>1 of an investors report?</p> <p>2 A. I don't recall how far it went.</p> <p>3 I -- I -- it sounds very familiar that we did</p> <p>4 engage a firm and we had lots of discussions</p> <p>5 with them. I know that we had spent a lot of</p> <p>6 time and money preparing the very extensive and</p> <p>7 complex screen recordings of all of the</p> <p>8 platform that was being built. I believe we</p> <p>9 gave that to you, also.</p> <p>10 And -- and I very much remember</p> <p>11 that we had been speaking to -- to a firm about</p> <p>12 putting together a good reporting presentation</p> <p>13 for us.</p> <p>14 MR. MAHONEY: Cam, I'm sorry,</p> <p>15 what did I say that CHRON number was?</p> <p>16 MS. REDFERN: This one is 84.</p> <p>17 MR. MAHONEY: CHRON084, okay.</p> <p>18 Do me a favor and put up 395, please.</p> <p>19 MS. REDFERN: Now, this will be</p> <p>20 85, P-85.</p> <p>21 MR. MAHONEY: P-85, thank you.</p> <p>22 ---</p> <p>23 (Whereupon, Exhibit P-85 is</p> <p>24 marked for identification.)</p>	<p style="text-align: right;">Page 284</p> <p>1 believe we sent, in our document production,</p> <p>2 over 12,000 documents to you. So it would make</p> <p>3 sense that it would take a while to find what I</p> <p>4 was looking for.</p> <p>5 BY MR. MAHONEY:</p> <p>6 Q. Do you think you provided me</p> <p>7 12,000 documents in or around June of 2018?</p> <p>8 A. I believe it was over --</p> <p>9 something around 12,000 documents and e-mails</p> <p>10 that we submitted in our document production.</p> <p>11 Q. Well, that's in connection with</p> <p>12 this litigation. It hadn't started as of June</p> <p>13 of 2018.</p> <p>14 A. But it's -- I think it's a good</p> <p>15 indicator as to how many documents there are.</p> <p>16 Q. So where did you find these</p> <p>17 documents, the private placement memo and the</p> <p>18 subscription agreements?</p> <p>19 A. I don't recall.</p> <p>20 Q. Did anyone assist you in trying</p> <p>21 to retrieve them?</p> <p>22 A. I don't recall.</p> <p>23 MR. MAHONEY: All right. Cam,</p> <p>24 if you can flip to 397.</p>
<p style="text-align: right;">Page 283</p> <p>1 ---</p> <p>2 BY MR. MAHONEY:</p> <p>3 Q. So, Mr. Billingsley, this is an</p> <p>4 e-mail that you sent to me June 29th of 2018,</p> <p>5 copying Mr. Bivens. The subject is, "Re:</p> <p>6 Documents you have requested from Justin</p> <p>7 Billingsley."</p> <p>8 And you write, "Bill, I have</p> <p>9 faxed the original PPM, Sub Agreement and JV</p> <p>10 Agreements to the fax number listed in your</p> <p>11 e-mail sig," presumably my signature line. "I</p> <p>12 am sorry this has taken longer than expected</p> <p>13 but these documents were not easy to find as I</p> <p>14 was not expecting to have to provide them."</p> <p>15 So where did you find those</p> <p>16 documents and why was it not easy to pull them</p> <p>17 together, particularly if you were digital by</p> <p>18 now?</p> <p>19 MR. GREEN: Object to form.</p> <p>20 You can answer.</p> <p>21 A. Yeah, I don't recall the</p> <p>22 details. I recall these were extremely,</p> <p>23 extremely busy times. And, you know, if we've</p> <p>24 got 30 or 40 folders of documents, it's -- I</p>	<p style="text-align: right;">Page 285</p> <p>1 MS. REDFERN: This will be P-86.</p> <p>2 MR. MAHONEY: Okay. Thank you.</p> <p>3 ---</p> <p>4 (Whereupon, Exhibit P-86 is</p> <p>5 marked for identification.)</p> <p>6 ---</p> <p>7 BY MR. MAHONEY:</p> <p>8 Q. Mr. Billingsley, I'll represent</p> <p>9 to you that this is the fax that you sent me.</p> <p>10 If you look at the top, it has a line that</p> <p>11 says, "To: Bill Mahoney, Page 1 of 45,</p> <p>12 June 29th of 2018, From: Justin Billingsley."</p> <p>13 Do you recognize the 1845 number</p> <p>14 as being your number or the number associated</p> <p>15 with Key Commercial Finance?</p> <p>16 A. No, I don't recognize that</p> <p>17 number. We've had many, many numbers.</p> <p>18 Q. Okay. You don't doubt that you</p> <p>19 actually faxed this packet of documents to me,</p> <p>20 do you?</p> <p>21 A. No, I don't doubt that.</p> <p>22 Q. So it's your testimony that you</p> <p>23 had to go back and dig through and somehow find</p> <p>24 this private placement memo, among other</p>

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<p style="text-align: right;">Page 286</p> <p>1 documents, that you sent to me on June 29th of 2 2018, right? 3 A. You're asking me if I had to 4 look for it? 5 Q. Yes. Remember you just had the 6 e-mail where you said it took some time to find 7 it? 8 A. Yes, I believe I had to look for 9 it. 10 Q. What's that? 11 A. Yes, I believe I had to look for 12 it. 13 Q. Let me ask you this: Instead of 14 looking for it, did you spend time in June of 15 2018 creating this document, the private 16 placement memo? 17 MR. GREEN: Object to form. 18 A. No, I did not. 19 BY MR. MAHONEY: 20 Q. Who is Adrienne Dean? 21 A. I don't -- I don't recognize the 22 name. 23 MR. MAHONEY: Cam, can you do me 24 a favor and pull up document number 105.</p>	<p style="text-align: right;">Page 288</p> <p>1 this case. Feel free to take a look through 2 it, please. That purports to be a subscription 3 agreement of Key Commercial Finance, LLC, on 4 the first page with an effective date of June, 5 and there's a blank, of 2018. 6 Do you recall receiving this 7 document from an Adrienne Dean? 8 A. No, I don't know an Adrienne 9 Dean. 10 Q. Do you recall requesting a 11 document from Ms. Dean or somebody who's at 12 something called C -- that's the letter "C" -- 13 C2 Group, LLC? 14 A. No, I -- as I mentioned, I 15 worked with Jeff Peterson on these documents. 16 We worked on several different versions of 17 these documents. And -- and were expecting to 18 present them to many different investors over 19 the course of the whole time. 20 So it doesn't surprise me that 21 there's a document dated June 18. 22 Q. Were you still working with 23 Mr. Peterson in 2018? 24 A. I don't recall. I --</p>
<p style="text-align: right;">Page 287</p> <p>1 MS. REDFERN: This was 2 previously marked P-5. 3 MR. MAHONEY: Pull it up. Let 4 me see it. I may have the wrong one. 5 Cam, is that it? I'm sorry. 6 MS. REDFERN: Yes. 7 MR. MAHONEY: Then I definitely 8 have the wrong one. Okay. Let's pull up 9 106. 10 MR. GREEN: Cam, can you mute 11 your microphone? 12 MS. REDFERN: Yes. This will be 13 P-87. 14 MR. MAHONEY: Great. Thank you. 15 MS. REDFERN: Sorry, it's taking 16 a minute. 17 MR. MAHONEY: Okay. 18 --- 19 (Whereupon, Exhibit P-87 is 20 marked for identification.) 21 --- 22 BY MR. MAHONEY: 23 Q. Mr. Billingsley, this is another 24 document that was produced by the defendants in</p>	<p style="text-align: right;">Page 289</p> <p>1 Q. I'm sorry, go ahead. Do you 2 have something else to add? 3 A. Yeah, I believe I was, actually. 4 Q. And in what capacity were you 5 working with him? 6 A. We were just trying to put 7 something together that would -- that would 8 work. We were working very hard to salvage 9 Mobile Corporation. We were working very hard 10 to get things put back together. Yeah, as I'm 11 thinking through it, we were pretty active, if 12 I recall right. 13 Q. Did that end or is that still 14 going on? 15 A. No, it's -- it's ended. 16 Q. Why has that ended, to your 17 knowledge? 18 A. Yeah, I -- I believe he decided 19 he could get nothing more from me. 20 Q. This Mr. Peterson? 21 A. Yes. 22 MR. MAHONEY: This document 23 here, which, again, I'll represent to 24 you -- and during the next break, I</p>

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<p>1 promise you I'll get you the e-mail. 2 But, Bill Green, for your benefit, the 3 Bates number is KCF009280, which is an 4 e-mail dated June 19th of 2018 from 5 Adrienne Dean to Mr. Billingsley. 6 This subscription agreement was 7 attached to that e-mail. She forwarded 8 it to him June 19th. And I will 9 represent to you that the subscription 10 agreement that is attached to 11 Mr. Billingsley's fax to me, which we 12 just went through -- Cam, what was that 13 e-mail? I'm sorry, what was that 14 document, the 45-page fax? 15 MR. GREEN: Is that P-86? 16 MS. REDFERN: Are you talking 17 about the one we just did prior to this? 18 It was P-86. It was CHRON397, P-86. 19 MR. MAHONEY: Okay. 20 BY MR. MAHONEY: 21 Q. Again, Mr. Billingsley, if you 22 can just look at the first couple of pages of 23 this, because I want to flip back to that 24 document.</p>	<p>1 MR. MAHONEY: That's the one. 2 Thank you. 3 Can you make the one on the 4 right a little smaller, Cam? There we 5 go. Thank you. 6 All right. I appreciate 7 everyone's patience there. 8 BY MR. MAHONEY: 9 Q. So, Mr. Billingsley, I'll 10 represent to you, and you can feel free to 11 scroll through them, that with the exception of 12 changing the date and adding Mr. Pavlis' 13 information, the form of subscription agreement 14 that you received from Ms. Dean in June of 2018 15 is identical to the one that you faxed to me 16 less than ten days later on June 29th. 17 Can you explain to me that 18 coincidence? 19 A. This is -- this is a 20 subscription agreement? 21 Q. Right. 22 A. Isn't it also identical to the 23 same one e-mailed or faxed to you in 2016? 24 Q. You never faxed anything to me</p>
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<p>1 MR. MAHONEY: Cam, actually, 2 better yet, can we do a side-by-side? 3 MS. REDFERN: Yeah, I'll set 4 that to up. So you want this one? 5 MR. MAHONEY: I want that one 6 and then when you get to P-86, if you 7 flip through a handful of pages. 8 MS. REDFERN: Okay. 9 MR. MAHONEY: Give me a second. 10 About ten pages in, you'll see a 11 subscription agreement effective 12 August 18th of 2014. 13 MS. REDFERN: All right. So 14 we've got P-86 on the left and P-87 on 15 the right. 16 MR. MAHONEY: If you can get to 17 the first page of the subscription 18 agreement of both. 19 There you go. Thank you. 20 Wait, Cam. I'm sorry. You're 21 looking at -- yes. No, no, not the 22 convertible note. 23 MS. REDFERN: (Scrolling through 24 document.)</p>	<p>1 in 2016. 2 A. Or that was faxed to Debby 3 Skeans from Christine Lachapelle in 2016. 4 Q. No, it's not at all. This is a 5 subscription agreement of Key Commercial 6 Finance. This one is dated in June of '18. 7 A. Got it. This was a very 8 standard document for us. I don't know who 9 Dean is. It's just not ringing a bell. 10 But we worked hard to get 11 comfortable with this document. I thought it 12 was a very good document that Jeff had given to 13 me. And, you know, why would Jeff be motivated 14 to give it to me in 2018? None of the fact -- 15 none of the logic would make sense. And 16 it's -- it's completely in harmony with the 17 documents that were faxed to Debby in 2016. 18 So, yeah, this was the -- this 19 was the original document that Jeff and I 20 worked on back in, I would say, early 2014, 21 that we went back and forth on, back and forth 22 on, that I ended up using for Frank at the end 23 of 2014. And we continued to use it and 24 present it to many different other investors</p>

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<p style="text-align: right;">Page 294</p> <p>1 and continued to promote it throughout our 2 business operations. 3 Q. Why do you think Mr. Peterson 4 sent this to you or was behind Ms. Dean sending 5 it to you? 6 MR. GREEN: Objection, form. I 7 don't think that's what he said. 8 A. I didn't say that Dean was -- 9 again, I don't know who Dean is. I have no 10 idea why she sent that to me. I'm not familiar 11 with her at all. 12 BY MR. MAHONEY: 13 Q. Do you know somebody who has an 14 e-mail address of cray@c2groupllc.com? 15 A. Cray@c2group? 16 Q. Correct, llc.com. 17 A. No, that doesn't sound familiar 18 at all. 19 Q. Okay. 20 A. Just feel free to slap this on, 21 Mr. Mahoney. Maybe this is not the context at 22 all. But it's just I'm confused. 23 Isn't this the same exact 24 document that we -- that Christine faxed in</p>	<p style="text-align: right;">Page 296</p> <p>1 about that. Would you like the two- to 2 three-minute version or the 30- to 45-minute 3 version? 4 Q. You can give me the two to 5 three. 6 A. I'm shocked and appalled that 7 this has taken place. I think for the version 8 that you would like to hear or are asking 9 about, it has more to do with the reporter from 10 the Arizona Republic contacting Debby, and 11 Debby making such false, knowingly destructive 12 comments about me. 13 Q. Okay. So you're aware that you 14 and Key Commercial Finance filed a Third-Party 15 Complaint against Mr. and Mrs. Skeans, correct? 16 A. In defense of this lawsuit, yes. 17 Q. Okay. And that Third-Party 18 Complaint indicates that you believe that 19 something that Mrs. Skeans said or Mr. Skeans 20 said to this reporter, Craig Harris, somehow 21 defamed you and Key Commercial, correct? 22 A. Yes. 23 Q. What is it that you believe 24 either Mr. or Mrs. Skeans told the reporter</p>
<p style="text-align: right;">Page 295</p> <p>1 2016? 2 Q. I don't know that it is, quite 3 frankly. 4 My question is, what was going 5 on in June of 2018, shortly before you provided 6 this subscription agreement to me? 7 A. Yeah. It was a standardized 8 document at that point. And I think it's a 9 good document. 10 Q. But, again, you have no idea who 11 Ms. Dean is or cray@c2groupllc? 12 A. I'm trying really hard to 13 remember. Her first name was what again? 14 Q. Adrienne? 15 A. And it's spelled D-e-a-n? 16 Q. Correct. 17 A. Yeah. Sorry. Absolutely no 18 idea. 19 Q. Okay. Let me shift gears for a 20 moment. And explain to me, because you 21 mentioned it a couple times, how did -- well, 22 say that the Skeanses defamed you. But walk me 23 through that. What are you referring to? 24 A. You know, I -- I'm pretty angry</p>	<p style="text-align: right;">Page 297</p> <p>1 that you believe was defamatory? 2 A. We'd have to look back into the 3 written article for all of the -- all of the 4 juicy details. 5 I know that they -- Debby had 6 told the reporter that Frank was in failing 7 memory; that Frank didn't know what he was 8 doing, even though at the same time she was 9 taking, what, six, seven, \$8 million from 10 Frank. And characterized my engagement with 11 Frank as -- as just wrongly -- it was very, 12 very malicious, how she characterized it. I 13 think she had motive. 14 Q. What's your basis for saying 15 that she made any of those statements to the 16 reporter? 17 A. She told it to the reporter. 18 The reporter printed it. And she told it to my 19 attorney, Don Bivens. And Don Bivens warned 20 her. 21 Q. So is it your belief that 22 Mrs. Skeans told the reporter that Mr. Pavlis 23 had had problems with his memory? 24 A. That's what -- that's what the</p>

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<p style="text-align: right;">Page 310</p> <p>1 now.</p> <p>2 Q. Do you recall, sitting through</p> <p>3 Mr. Self's deposition, where he indicated that</p> <p>4 you and he had several meetings with entities,</p> <p>5 one of them being, I believe you said, this</p> <p>6 Amherst.</p> <p>7 Do you recall meeting with</p> <p>8 anyone from Amherst?</p> <p>9 A. I do.</p> <p>10 Q. And what was the nature or the</p> <p>11 subject of that discussion?</p> <p>12 A. The discussion began with a very</p> <p>13 direct approach of acquiring or purchasing our</p> <p>14 platform.</p> <p>15 Q. Who made the approach? Who are</p> <p>16 the individuals from Amherst saying that they</p> <p>17 wanted to acquire the platform?</p> <p>18 A. At the time, we were approached</p> <p>19 by a fellow by the name of Robby McDonald.</p> <p>20 Q. I'm sorry, did you say Robby or</p> <p>21 Robin?</p> <p>22 A. Robby, R-o-b-b-y.</p> <p>23 And we dealt with many different</p> <p>24 people there. And no other names are coming to</p>	<p style="text-align: right;">Page 312</p> <p>1 they had come across the -- and this is -- this</p> <p>2 is probably important for this discussion.</p> <p>3 These are not the types of things that people</p> <p>4 e-mail, in my opinion. I don't think someone</p> <p>5 that is wanting to court the company or</p> <p>6 purchase them and finds out something horrible,</p> <p>7 horrible that's in a big newspaper said by</p> <p>8 someone, that they're going to turn around and</p> <p>9 fire up an e-mail. I think their own risk</p> <p>10 management would be -- would deter that</p> <p>11 greatly.</p> <p>12 So it happened almost all the</p> <p>13 time in phone conversations. I remember the</p> <p>14 call from the Amherst guy that said, look, we</p> <p>15 came across this. And this is just way too</p> <p>16 toxic, the publicity. We've got to be very</p> <p>17 careful of our -- of our company reputation.</p> <p>18 And that was that.</p> <p>19 Q. Who said that?</p> <p>20 A. I don't remember. It was</p> <p>21 someone -- someone on the legal side had called</p> <p>22 and said, I'm calling on behalf of Amherst. I</p> <p>23 think it was one of their attorneys, maybe, or</p> <p>24 general counsel, and had said, you know,</p>
<p style="text-align: right;">Page 311</p> <p>1 mind.</p> <p>2 Q. And to your knowledge, what was</p> <p>3 Mr. McDonald's position at Amherst?</p> <p>4 A. It had to do with strategic</p> <p>5 work, strategic business development.</p> <p>6 Q. And when did you first have</p> <p>7 discussions with him about Amherst wanting to</p> <p>8 acquire your platform?</p> <p>9 A. Stroker was another one. Ryan</p> <p>10 Stroker was acquisitions director there.</p> <p>11 What time? It was actually</p> <p>12 right around October, November of -- no. It</p> <p>13 would have been -- it would have been December,</p> <p>14 January. Somewhere around December, somewhere</p> <p>15 in the first quarter of 2019, December of 2018,</p> <p>16 when those discussions initially happened.</p> <p>17 Q. And when did the discussions</p> <p>18 end?</p> <p>19 A. Around -- around June. May --</p> <p>20 May or so, I would say, of 2019.</p> <p>21 Q. And I take it they chose not to</p> <p>22 proceed with the acquisition of the platform?</p> <p>23 A. Yeah. They, mostly in phone</p> <p>24 conversation, had explained that, you know,</p>	<p style="text-align: right;">Page 313</p> <p>1 discussions are over.</p> <p>2 Q. Did you make any notes of that</p> <p>3 conversation?</p> <p>4 A. I don't -- I don't believe so,</p> <p>5 no.</p> <p>6 Q. During your discussions,</p> <p>7 whenever they began, either last quarter of</p> <p>8 2018, first quarter of 2019 through May, June</p> <p>9 of 2019, did Amherst provide you with any</p> <p>10 documentation that reflected their interest in</p> <p>11 possibly acquiring the platform?</p> <p>12 A. Yeah. There was significant</p> <p>13 back and forth -- extensive back and forth</p> <p>14 documents of us presenting what the transaction</p> <p>15 could be.</p> <p>16 I remember at one point, we had</p> <p>17 e-mailed to them just different thoughts,</p> <p>18 different abilities, different ways that we</p> <p>19 could work together. So, yeah, there was</p> <p>20 correspondence.</p> <p>21 Q. Do you know whether that</p> <p>22 extensive back and forth in that e-mail</p> <p>23 correspondence, was that produced in connection</p> <p>24 with this litigation?</p>

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<p style="text-align: right;">Page 314</p> <p>1 A. I have no knowledge of whether 2 it was or not. 3 MR. MAHONEY: Bill, do you have 4 any understanding as to whether the 5 e-mails he's talking about have been 6 produced? 7 MR. GREEN: No. You know, 8 sitting right here as we're talking about 9 it, I'm not sure. 10 Maybe I can ask a little bit 11 more about these e-mails. 12 What time frame again was this, 13 Justin? 14 MR. MAHONEY: According to your 15 client, it was between last quarter of 16 2018, first quarter of 2019, and May or 17 June of 2019. 18 MR. GREEN: I imagine these were 19 picked up in the first round of 20 discovery, but I'm not familiar offhand 21 right now. 22 MR. MAHONEY: I can tell you, I 23 don't recall seeing any such documents. 24 So we're going to have to circle back to</p>	<p style="text-align: right;">Page 316</p> <p>1 (Whereupon, a recess was taken 2 from 5:21 p.m. to 5:32 p.m.) 3 - - - 4 MR. MAHONEY: Let's go back on. 5 BY MR. MAHONEY: 6 Q. Mr. Billingsley, had you ever 7 come up with a valuation for your platform? 8 A. We've talked to a few about it. 9 I know Chad has talked to a few on the 10 technology side about it. 11 One of the valuations came from 12 a company that has a very, very similar 13 technology footprint by the name of Roofstock. 14 Their platform when they launched was worth an 15 estimated 20 -- 20 million. They had just 16 completed a \$76 million A round. They're 17 currently up to 120-something A, I believe. 18 There is estimated value on the 19 Sperry Van Ness hub of SFRhub.com that has, 20 from what I understand, an estimated value well 21 over 10 million. 22 Q. My question was, did anyone, to 23 your knowledge, ever place a valuation on your 24 platform?</p>
<p style="text-align: right;">Page 315</p> <p>1 that. 2 BY MR. MAHONEY: 3 Q. Apart from Amherst, did you 4 exchange documents, whether it be e-mail or 5 written correspondence, with any other entity 6 that you believe was interested in acquiring 7 the platform, but because of this article, they 8 declined to proceed? 9 A. Did I exchange documents? I 10 don't recall any big document exchanged. 11 Again, almost all of this was phone 12 discussions. 13 Q. What about e-mails? You said 14 that you are aware of e-mails, and as you put 15 it, quote, extensive back and forth documents 16 with Amherst. 17 I'm asking, do you recall any 18 similar documents with any other entity that 19 you thought was interested in acquiring the 20 platform? 21 A. I don't recall. 22 MR. MAHONEY: Okay. Let's go 23 off the record for five minutes or so. 24 - - -</p>	<p style="text-align: right;">Page 317</p> <p>1 A. Yeah, the -- back in the day of 2 our early discussions with Amherst, we had 3 initial discussions of 12 to \$14 million. 4 Q. So -- I'm sorry, I cut you off. 5 Go ahead. Finish that. 6 A. Twelve to \$14 million came up in 7 discussions several times. 8 Q. Is that reduced to writing 9 anywhere? 10 A. I don't recall. I don't -- I 11 don't recall. 12 Q. All right. Do you recall in 13 Mr. Self's deposition, we went through the 14 ledger and the P&L and, one, there wasn't a 15 valuation for something call Rental Pro Club. 16 The valuation for Realty Pro Club was fairly 17 modest, I think a hundred grand, give or take. 18 Why is the valuation for Realty 19 Pro Club so low if you think it's worth 20 millions of dollars? 21 MR. GREEN: Object to form. 22 A. Yeah. I didn't say I thought it 23 was worth millions of dollars. These were the 24 discussions, touch points that we were using,</p>

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<p style="text-align: right;">Page 318</p> <p>1 to develop a context of thinking. I don't know 2 that I have an understanding of technology 3 evaluation. 4 I will admit that another 5 mistake that our accountant lamented was not 6 including Rental Pro Club. She said she 7 remembered that she had been asked to. So 8 she's intending to fix that immediately, also, 9 since you triggered my memory on that. 10 The other thing I would say is 11 that Realty Pro Club really, in many respects, 12 is just a website. The domain and the brand 13 and the design is valuable. There is coding 14 behind Realty Pro Club that goes into our 15 database system, which is called "The Hub." 16 The Hub has significant value. And that's 17 plugged into the back of Mobile Agency, Buy 18 Every Home and Realty Pro Club. 19 BY MR. MAHONEY: 20 Q. Okay. 21 A. I'm happy to opine on that a 22 little bit, if it would color the discussion 23 that you're wanting to have. 24 Q. No. I'm just curious if you had</p>	<p style="text-align: right;">Page 320</p> <p>1 THE COURT REPORTER: Wait, wait, 2 wait. You cut out. I mean, it didn't 3 cut out, it got messed up. 4 "So what makes you think that 5 SFRhub.com is owned by Sperry Van Ness as 6 opposed to being an independent 7 franchise . . ." 8 MR. MAHONEY: Yes. 9 BY MR. MAHONEY: 10 Q. I'll pick up with, independent 11 franchise based in Arizona run by a gentleman 12 named Jeffrey Cline? 13 A. So your question is, what makes 14 me think it's -- I'm sorry, I tried to put it 15 back together. 16 Q. You said that you thought that 17 SFRhub.com is owned by Sperry Van Ness. 18 Do you know that to be true 19 or -- 20 A. No, I -- 21 Q. -- do you understand it to be a 22 franchise, among many, many franchises, under 23 the SVN umbrella? 24 A. Yeah. So Sperry Van Ness is</p>
<p style="text-align: right;">Page 319</p> <p>1 a professional value the platform. 2 A. I see. No, I don't believe we 3 did. 4 Q. You mentioned -- was it 5 SFRhub.com? 6 What's your understanding of 7 that entity? 8 A. Very similar to Rental Pro Club. 9 Very similar to Renters Warehouse. Very 10 similar to Roofstock. They are bringing on 11 portfolios of houses from portfolio owners and 12 creating a transaction marketplace. 13 Q. What makes you think Debby or 14 Darbin Skeans had anything to do with 15 SFRhub.com? 16 A. Debby and Darbin Skeans are 17 extremely affiliated with Sperry Van Ness. 18 Sperry Van Ness owns SFRhub. And Darbin and 19 Debby are very, very motivated for Sperry Van 20 Ness to do well as a company as a whole. 21 Q. So what makes you think that 22 SFRhub.com is owned by Sperry Van Ness as 23 opposed to being an independent franchise out 24 in Arizona --</p>	<p style="text-align: right;">Page 321</p> <p>1 owned by a local franchise -- I'm sorry, SFRhub 2 is owned by the franchise, the Clines. 3 The connectivity that becomes 4 real dangerous to Rental Pro Club is that all 5 of these independently owned franchises are in 6 great demand and pursuit and intent to sell 7 single-family residential, because they are 8 commercial real estate businesses. 9 To be able to put a 10 single-family residential marketplace inside 11 that commercial real estate marketplace, where 12 all of these commercial brokers have got 13 enormous outreach connections, network for 14 residential deals to be pushed through one 15 channel is the thinking, is the business model 16 that Jeffrey Cline explained to me. 17 And the way of which all of 18 those franchises have got such an economic 19 opportunity to sell through that -- that 20 platform is, I think, a very fundamental 21 economic motivator. 22 And I think the second one is -- 23 is that when Sperry Van Ness pushes an 24 incredible culture of devotion and -- and</p>

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<p style="text-align: right;">Page 322</p> <p>1 allegiance and support from the franchise 2 owners, as most very, very successful franchise 3 operations do, and they really have a hard push 4 on the rising tide, raise all boats. 5 So it -- the idea of my platform 6 reaching the marketplace with a completely 7 inverted model that would very potentially, 8 very severely impact their model is lots of 9 motivation to -- to stop it. 10 Q. What makes you think that 11 Mr. and Mrs. Skeans or their franchise had any 12 dealings with SFRhub.com? 13 I'm not asking for your opinion. 14 I'm asking for fact. 15 A. I don't believe that we've had 16 the chance to do any discovery on that yet. I 17 believe in that discovery part of the 18 third-party claim, we'll find the fact that is 19 so important and I'm confident is there. 20 Q. Okay. But I'm asking about 21 what's your basis for saying it now. 22 A. As I explained to you -- 23 Q. Are you aware of any document? 24 Are you aware of any fact to say that Debby and</p>	<p style="text-align: right;">Page 324</p> <p>1 Q. I'm sorry? 2 A. Yeah, not yet. 3 Q. Okay. So at the moment, you 4 have nothing. You think you'll find something. 5 But right now, you've got nothing to support 6 your belief, correct? 7 MR. GREEN: I object to form. 8 A. Yeah, I don't know that that's 9 correct. I believe motive is fact. 10 BY MR. MAHONEY: 11 Q. Okay. Apart from your belief 12 that motive is fact, are you aware of any other 13 facts? 14 A. Their vicious and malicious 15 assault that was baseless and entirely without 16 fact. 17 Q. Anything else that you consider 18 a fact that suggests or confirms that the 19 Skeanses had any dealings with SFRhub.com? 20 A. Yeah, the gravity and how 21 egregious this assault is and -- and the 22 obvious aligned motivation. How in the world 23 they could go from being my friend to this, 24 there's got to be some dark reasons.</p>
<p style="text-align: right;">Page 323</p> <p>1 Darbin Skeans have had dealings with 2 SFRhub.com? 3 A. The fact -- it's a large enough 4 fact in my mind that the Skeans would betray 5 Frank's ability to have his assets returned 6 back to his estate and that they would perform 7 this -- this -- you know, this witch hunt 8 assault on my business endeavors. And that 9 that coincidentally brings incredible economic 10 benefit to Sperry Van Ness is a pretty powerful 11 fact. 12 Q. Okay. Well, that's your 13 opinion. I'm going to ask it one more time. 14 Are you aware of any fact that 15 supports your opinion that the Skeanses had any 16 dealings with SFRhub.com? 17 You understand what a fact is, 18 right? 19 A. I would say not yet. 20 Q. "Not yet" meaning sitting here 21 today, you don't have any facts to support your 22 belief that the Skeanses had any dealing with 23 SFRhub.com? 24 A. Not yet.</p>	<p style="text-align: right;">Page 325</p> <p>1 Q. Did you have any discussions 2 with anyone from Sylvan Road Capital about 3 acquiring your platform? 4 A. Yes. 5 Q. And who did you speak with 6 there? 7 A. Oh, man, I cannot remember. The 8 guy that I spoke with most, I did end up having 9 a few discussions with one of the owners, the 10 CEO, Gavin. 11 They asked me to fly down to 12 Atlanta. So I flew down and we had an all-day 13 meeting about acquisition of the platform. 14 Gavin -- I'm sorry, I can't remember his last 15 name. It might come to me. 16 And then the other -- Alex. And 17 the fellow I dealt with the most there was Alex 18 Kahn, K-a-h-n. 19 Q. Are you aware of any written 20 documentation that would reflect any 21 discussions between you and anyone on behalf of 22 Key Commercial on the one hand and anyone at 23 Sylvan Road Capital? 24 A. I believe there was some, but</p>

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<p style="text-align: right;">Page 330</p> <p>1 A. C-h-e-n.</p> <p>2 Q. And what was his position at</p> <p>3 Pinter?</p> <p>4 A. Oh, I'm sorry. No, he didn't</p> <p>5 work at Pinter. He was a partner in a</p> <p>6 brokerage firm that we engaged to either</p> <p>7 connect us with an acquisition partner or raise</p> <p>8 capital for us.</p> <p>9 Q. Who was that firm?</p> <p>10 A. I'll have to get it to you. I</p> <p>11 don't remember the -- I can easily find it.</p> <p>12 His name is Steven Chen.</p> <p>13 But we had a -- I believe it was</p> <p>14 an engagement agreement. And he introduced us</p> <p>15 to several investors. We took several meetings</p> <p>16 in the city. And our -- my original intent was</p> <p>17 to raise capital to remove Frank's investment.</p> <p>18 That's how we were supposed to do it at the</p> <p>19 beginning, and that's why Steven was involved.</p> <p>20 But everyone Steven took us to,</p> <p>21 he explained that it was just impossible for</p> <p>22 them to get over the article.</p> <p>23 Q. So Steven Chen told you that.</p> <p>24 Was he the one that introduced</p>	<p style="text-align: right;">Page 332</p> <p>1 We love the tech. We love the guy. We just</p> <p>2 can't -- it's just too -- it's just too toxic,</p> <p>3 too nasty.</p> <p>4 And then, you know, my other big</p> <p>5 guy that would have called anybody before this</p> <p>6 would have been Greg Owen. I knew him for</p> <p>7 15 years. And he would have been happy to call</p> <p>8 anyone. But this was gone now.</p> <p>9 Q. Well, why wasn't he still happy</p> <p>10 to call someone on your behalf?</p> <p>11 A. Because of the article. The</p> <p>12 article was just way too toxic. We haven't</p> <p>13 been able to do anything since then.</p> <p>14 Q. No. My question, though, is,</p> <p>15 why wouldn't Mr. Owen make an effort on your</p> <p>16 behalf?</p> <p>17 A. Because of the article.</p> <p>18 Also was an attorney by the name</p> <p>19 of Will Rosellini, who was going to do quite a</p> <p>20 bit of work with us, for us. Will has</p> <p>21 several -- has got several successful</p> <p>22 businesses that he's done in the past. He is</p> <p>23 currently a public company CEO. He has five</p> <p>24 master's degrees, highly entrepreneurial. He's</p>
<p style="text-align: right;">Page 331</p> <p>1 you to Sylvan Road and Pinter and Amherst?</p> <p>2 A. No. He introduced us Pinter.</p> <p>3 He introduced us to Adam Whitmire.</p> <p>4 Q. And what company is Adam</p> <p>5 Whitmire with?</p> <p>6 A. Whitmire -- Whitmire Capital,</p> <p>7 Whitmire Financial Group, something like that.</p> <p>8 Adam and his partner were</p> <p>9 developing their platform, called</p> <p>10 "housefolios.com." And they had thought that</p> <p>11 we would be an excellent acquisition partner.</p> <p>12 Q. Let me ask you this: When each</p> <p>13 of these folks told you that they just couldn't</p> <p>14 continue with you because of the article, did</p> <p>15 you make any effort to convince them otherwise?</p> <p>16 For example, did you ask people</p> <p>17 whom you believe respected you to talk to them</p> <p>18 and tell you, hey, this is what Justin is all</p> <p>19 about. The article is all wet. Anything like</p> <p>20 that?</p> <p>21 A. Yeah. Yeah. I -- and it just</p> <p>22 didn't matter. I had Don Bivens call a few he</p> <p>23 knew real well.</p> <p>24 They just said, look, we get it.</p>	<p style="text-align: right;">Page 333</p> <p>1 a real estate broker, licensed attorney.</p> <p>2 He worked with us for about</p> <p>3 eight months on Rental Pro Club. We hired him</p> <p>4 as a consultant. And he joined us for our</p> <p>5 operations meetings twice a week. He was an</p> <p>6 expert or all things operations and an expert</p> <p>7 in IP technologies, was looking to get two</p> <p>8 patents filed for us, technology IP, sorry.</p> <p>9 And he also just couldn't continue with us</p> <p>10 because of the article.</p> <p>11 Q. Do you have any documentation</p> <p>12 indicating that he couldn't continue with you</p> <p>13 because of the article?</p> <p>14 A. No, not that I recall.</p> <p>15 Q. What was his name again?</p> <p>16 A. Will Rosellini. The word</p> <p>17 Rose-l-l-i-n-i.</p> <p>18 Q. And to your knowledge, where</p> <p>19 does he currently work or where is he based?</p> <p>20 A. He currently works in Puerto</p> <p>21 Rico, based in Puerto Rico.</p> <p>22 Q. So you mentioned a little while</p> <p>23 ago, when I asked if Rental Pro Club made any</p> <p>24 money, you indicated that making money wasn't</p>

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<p style="text-align: right;">Page 338</p> <p>1 marked for identification.)</p> <p>2 - - -</p> <p>3 BY MR. MAHONEY:</p> <p>4 Q. Mr. Billingsley, this is an</p> <p>5 e-mail from Debby Skeans to Don Bivens, with a</p> <p>6 copy to you and Darbin Skeans, dated</p> <p>7 September 30th of 2017, and the subject is</p> <p>8 "Pavlis investments."</p> <p>9 And Mrs. Skeans writes to Don</p> <p>10 Bivens, "While Justin did call us Thursday and</p> <p>11 we look forward to a visit soon, it is</p> <p>12 difficult for us to confirm that we 'retract</p> <p>13 any concerns' since we simply need to know</p> <p>14 more. That said, we do not wish to contribute</p> <p>15 to a witch hunt and do not intend to speak to</p> <p>16 the reporter again. Other than expressing</p> <p>17 surprise at a second investment and</p> <p>18 disappointment that we do not know more about</p> <p>19 the Key investment, we do not believe we told</p> <p>20 him anything at the initial discussion that</p> <p>21 requires our disavowel. Below is a text of an</p> <p>22 e-mail that we intend to send which we hope</p> <p>23 will clarify our position." And she signs off,</p> <p>24 "Debby."</p>	<p style="text-align: right;">Page 340</p> <p>1 opposite. Craig Harris is one of the most</p> <p>2 celebrated reporters in Arizona.</p> <p>3 Q. So you don't believe she sent</p> <p>4 it. I'll represent to you that she did, in</p> <p>5 fact, send it to him.</p> <p>6 Why do you think that Mr. Harris</p> <p>7 quoted Debby Skeans to say something that is</p> <p>8 inconsistent with that?</p> <p>9 A. I don't know what Mr. Harris was</p> <p>10 thinking or why he did what he did.</p> <p>11 Q. Is it your position or your</p> <p>12 understanding that neither Key Commercial, nor</p> <p>13 my related entity, currently owns any real</p> <p>14 estate?</p> <p>15 A. Absolutely not. There is no</p> <p>16 real estate, no asset owned anywhere.</p> <p>17 Q. So, for example, what happened</p> <p>18 to the investment in Danger TV?</p> <p>19 A. That's still there. It's</p> <p>20 certainly not an asset yet.</p> <p>21 Q. Well, what do you have that</p> <p>22 represents that investment?</p> <p>23 A. I -- I don't know.</p> <p>24 Q. You have documentation, right?</p>
<p style="text-align: right;">Page 339</p> <p>1 Now, do you recall getting this</p> <p>2 e-mail?</p> <p>3 A. I believe I do.</p> <p>4 Q. And the proposed e-mail to</p> <p>5 Craig -- and that's Craig Harris, the man who</p> <p>6 was writing the article -- she writes, "Darbin</p> <p>7 and I have spoken to both Attorney Bivens and</p> <p>8 Mr. Billingsley and have had a number of</p> <p>9 questions answered and anticipate receiving</p> <p>10 additional information shortly. Neither</p> <p>11 Mr. Pavlis nor we wish to be used to negatively</p> <p>12 influence any investigations of Mr. Billingsley</p> <p>13 or any company related to him. Be advised that</p> <p>14 Mr. Pavlis was capable of and was making his</p> <p>15 own investment decisions in 2014. Hope this</p> <p>16 clarifies things."</p> <p>17 So do you have any doubt that</p> <p>18 Ms. Skeans actually sent that e-mail to</p> <p>19 Mr. Harris?</p> <p>20 A. Well, I believe I do.</p> <p>21 Q. And what's your basis for</p> <p>22 doubting that?</p> <p>23 A. Because he quoted her in a</p> <p>24 national publication as saying the exact</p>	<p style="text-align: right;">Page 341</p> <p>1 A. Yes, absolutely.</p> <p>2 Q. And where would I find that</p> <p>3 documentation?</p> <p>4 A. I would assume it was produced,</p> <p>5 if it met your search terms. If not, happy to</p> <p>6 get it to you.</p> <p>7 Q. Okay. What about the --</p> <p>8 A. Based upon -- based upon the</p> <p>9 advice from counsel, of course.</p> <p>10 Q. Sure. Sure. What about any</p> <p>11 investments that you made in Bitcoin or Bitcoin</p> <p>12 contracts?</p> <p>13 A. Yeah, that was very, very</p> <p>14 temporary. The money went in. We were looking</p> <p>15 at technology development around smart</p> <p>16 contracts. And the money was sold at a profit.</p> <p>17 And there's absolutely none owned anywhere.</p> <p>18 Q. So how much money of Frank</p> <p>19 Pavlis' \$7 million that he put into Allwest was</p> <p>20 returned to Key Commercial or a related entity?</p> <p>21 A. I don't understand the question.</p> <p>22 Q. Well, we know that he, "he"</p> <p>23 being Mr. Pavlis, parted with \$7 million,</p> <p>24 correct?</p>

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<p style="text-align: right;">Page 346</p> <p>1 maybe just two or three more paragraphs. 2 Let me finish that page real quick. I 3 haven't looked at this in an awful long 4 time. 5 All right. Next page, please, 6 Cam. 7 Okay. Scroll down a little bit 8 more, please. 9 MS. REDFERN: (Scrolling through 10 document.) 11 THE WITNESS: All right. A 12 little bit more. 13 MS. REDFERN: (Scrolling through 14 document.) 15 THE WITNESS: Okay. Scroll a 16 little bit more. 17 MS. REDFERN: (Scrolling through 18 document.) 19 THE WITNESS: All right. A 20 little bit more. 21 MS. REDFERN: (Scrolling through 22 document.) 23 A. So, Mr. Mahoney, I would say at 24 the very top of the article, it mentions a</p>	<p style="text-align: right;">Page 348</p> <p>1 said Debby Skeans, who has Pavlis' power of 2 attorney." 3 So her comments, her support, 4 Billingsley, "now 101, said in a recent 5 telephone interview" -- 6 Q. You meant to say Pavlis. 7 A. Pavlis. I'm sorry, I don't know 8 what I said. "I hope you can unravel this for 9 me," that was all orchestrated by Debby because 10 of her fanning this flame, making it so much 11 worse -- look so much worse than it was. 12 THE WITNESS: Cam, can you 13 scroll down? I don't know if there's any 14 more left. 15 A. (Continuing) Yeah, so then 16 there's just this constant threat of Pavlis -- 17 about a year after Pavlis loaning money, Mobile 18 needing money again. 19 So Arizona being very, very 20 sensitive to any problems related to the 21 elderly as a retirement state, when this 22 reporter -- and later, the reporter actually 23 confessed to Don Bivens that it weren't for the 24 Pavlis reporting, he probably wouldn't have</p>
<p style="text-align: right;">Page 347</p> <p>1 Pennsylvania elderly man. And I have blamed 2 Debby's anger for the reporter being attentive 3 to Frank being elderly in a predatory way. 4 Like -- 5 BY MR. MAHONEY: 6 Q. Well, was he not elderly? 7 A. Please let me finish. 8 Q. Okay. 9 A. The second reference of friends 10 and family mentioning that he was without a 11 good memory, suffering from memory loss, 12 continues to paint a picture of something that 13 was untrue that builds on the concept of Frank 14 being elderly. 15 Of course, he was elderly, but 16 it was notable because of her slander, which 17 was all wrapped up at the end in this quote 18 from Debby Skeans. "Billingsley and Pavlis 19 were introduced by mutual friends after Pavlis 20 had lost money in financial scams." Debby 21 again volunteered that there were financial 22 scams in an effort to make it look like I was 23 involved in them. "Billingsley was supposed to 24 make sure Pavlis wouldn't get ripped off again,</p>	<p style="text-align: right;">Page 349</p> <p>1 gotten clearance to report the story, because 2 of -- of the tone and the accusations of elder 3 abuse that Debby brought. So I believe that 4 that all makes a really, really ugly picture, 5 when it wasn't. 6 BY MR. MAHONEY: 7 Q. Okay. So let's just break that 8 down. 9 Frank Pavlis was, in fact, 10 elderly in 2014 and he was even more elderly in 11 2017, right? 12 A. I said he was elderly. The 13 point was that it became notable because of 14 Debby's lies. 15 Q. Well, she didn't write the 16 article, right? 17 A. I believe she basically did, 18 yeah. 19 Q. What's your basis for saying 20 that? 21 A. Because of how extensively she 22 probably spoke to Craig, how angry she was, all 23 of the accusations. 24 Q. Okay. Well, you weren't party</p>

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<p style="text-align: right;">Page 350</p> <p>1 to that conversation, right, so you don't know 2 what she said to him? 3 A. I see what he wrote. 4 Q. Right. So what he wrote that 5 you pointed out that you find troublesome is, 6 at the beginning when they talk about Mr. -- 7 they don't even mention his name, they talk 8 about an elderly Pennsylvania investor. 9 There's a reference to friends and family who 10 indicated that Mr. Pavlis had memory issues. 11 That doesn't say that it was 12 Debby Skeans who said that, correct? 13 A. I believe it does, yeah. 14 Friends and family, I think, does point 15 directly to Debby. 16 Q. Well, how does it point directly 17 to Debby when it says "friends and family" -- 18 A. Because it later -- 19 Q. -- not -- 20 A. Because it later quotes her. 21 Q. Okay. But it quotes her as 22 saying that you were supposed to make sure that 23 Frank wouldn't get ripped off again, right? 24 A. It quotes her as the source for</p>	<p style="text-align: right;">Page 352</p> <p>1 Q. What else did Mr. Bivens tell 2 you that Mr. Harris told him? 3 A. I don't recall at this moment. 4 There were -- there were several things, but I 5 don't recall at this moment. 6 Q. Did you ever write them down 7 anywhere? 8 A. No, I don't write things down. 9 I stay busy. 10 Q. All right. And you read this 11 whole article, correct? 12 A. I don't -- I don't recall ever 13 reading the whole article. It makes me sick. 14 Q. So apart from the things that 15 you attribute to Debby, you don't think there's 16 anything in here that paints in a negative 17 light? 18 A. I think what Debby -- the lies 19 and slander that she brought to this article is 20 what gave all of that the reason for being 21 believable. 22 Q. Let me ask you this, by the way: 23 If you go to -- yes, right there, "Keeping 24 Mobile afloat." Right beneath the quote from</p>
<p style="text-align: right;">Page 351</p> <p>1 all of this information. 2 Q. Where is there any place that 3 says Ms. Skeans is a source for anything other 4 than the quote about you being supposedly 5 brought in to make sure that Mr. Pavlis 6 wouldn't get ripped off again? 7 A. It was what Craig told Don 8 Bivens when we were trying to convince Craig 9 not to publish this story. 10 Q. I think you said that Craig 11 Harris told Don that but for the Pavlis angle, 12 he wouldn't have been able to publish this? 13 A. But for the Pavlis facts, for 14 the Pavlis toxicity is what gave the -- what 15 put it over the top for him. And it's what 16 gave him so much confidence to put it on the 17 front page and make it such a prominent 18 article. 19 Q. Okay. And what else did 20 Mr. Bivens tell you that Mr. Harris had told 21 him? 22 A. That he was absolutely going to 23 publish it. That they had questions about it 24 until -- until they got ahold of Debby.</p>	<p style="text-align: right;">Page 353</p> <p>1 Mr. Pavlis, where it says, "Pavlis, now 101, 2 said in a recent telephone interview that he 3 remembered Billingsley visiting him a few years 4 ago in his home and that Billingsley persuaded 5 him to invest, 'but I don't remember how much 6 it was.'" The next line, "'I hope you can 7 unravel this for me,' Pavlis said." And then 8 it says, "Billingsley declined to answer 9 questions about Pavlis." 10 Now, why on earth would you 11 decline to answer questions about Mr. Pavlis if 12 you felt and your lawyer was telling you that 13 Ms. Skeans was somehow poisoning the story with 14 lies? 15 MR. GREEN: Object to form. 16 BY MR. MAHONEY: 17 Q. Why wouldn't you set the record 18 straight? 19 MR. GREEN: Object to form. 20 A. I don't know that I had an 21 understanding as to the extent of all of her 22 lies until after the article was published. 23 BY MR. MAHONEY: 24 Q. Well, why would you decline to</p>